

FOIA Request

Kathleen Proffitt, Davison Van Cleve, PC 10-24-2002

BPA Transmission Contracts

Longview, Kaiser, Northwest, Goldendale & Golden Northwest Aluminum
From January 1, 1995 to present

Customer	Contract No.	Type	Status
Golden Northwest Aluminum	02TX-11262	PTP	Executed
Goldendale Aluminum	01TX-10505	CSE	Executed
Goldendale Aluminum	96MS-96109	PTP	Executed
Goldendale Aluminum	95MS-94900	FPT	Terminated
Goldendale Aluminum	DE-MS79-95BP94762	IR	Executed
Northwest Aluminum	DE-MS79-95BP94766	IR	Executed
Northwest Aluminum	96MS-96111	PTP	Executed
Kaiser Aluminum	97TX-10046	LtrAgree	Executed
Kaiser Aluminum	00TX-30435	CSE	Executed
Kaiser Aluminum	DE-MS79-95BP94765	Trans	Executed
Kaiser Aluminum	96MS-96107	PTP	Executed
Longview Aluminum	01TX-10681	NT	Executed
Longview Aluminum	02TX-11080	CWI	Executed
Longview Aluminum	DE-MS79-94BP94443	IR	Terminated
Longview Aluminum	DE-MS79-95BP94767	IR	Executed
Longview Aluminum	95MS-94865	PS/UFT	Terminated

SERVICE AGREEMENT
for
POINT-TO-POINT TRANSMISSION
executed by the
UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
acting by and through the
BONNEVILLE POWER ADMINISTRATION
and
GOLDENDALE ALUMINUM COMPANY

Index

Article		Page
1.	Scope of Service Agreement	2
2.	Definitions	4
3.	Term of Service Agreement	4
4.	Charges and Payments	5
5.	Notices	6
6.	Dispute Resolution	6
7.	System Operations	8
8.	Miscellaneous	8
9.	Signatures	11
Exhibit A	(Statement of Specifications for Long-Term Firm Transmission Service)	
Exhibit B	(Facilities Charges)	
Exhibit C	(Ancillary Services)	
Exhibit D	(Stability Reserves)	

This TRANSMISSION SERVICE AGREEMENT is made and entered into this ____ day of _____, _____, by and between the Bonneville Power Administration (hereinafter referred to as "BPA") and Goldendale Aluminum Company (hereinafter referred to as "the Transmission Customer"). The Transmission Customer and BPA are sometimes referred to individually as "Party" and collectively as "Parties," as the context suggests below.

ARTICLE 1

SCOPE OF SERVICE AGREEMENT

1.1 TERMS AND CONTITIONS

The terms and conditions under which PTP Transmission Service is offered and accepted are pursuant to this Service Agreement and the Open Access Transmission Tariff (Tariff). The Tariff in effect at the time of execution of this Service Agreement is hereby incorporated by this reference. BPA may change the terms and conditions of the Tariff upon, and only upon, a determination by the Commission that such change is just and reasonable and not unduly discriminatory or preferential; provided, however, that, unless the Commission or a court of competent jurisdiction issues an opinion or order holding that BPA's Direct Service Industrial (DSI) customers are not Eligible Customers under the Tariff or under any successor tariff, or that such DSI customers are not eligible to purchase transmission service under the PTP-96 rate schedule or any successor rate schedule, BPA shall not modify the definition of Eligible Customer under the Tariff to exclude the Transmission Customer as an Eligible Customer, or modify the PTP-96 rate schedule so that it is not available to the Transmission Customer, if such modification is to take effect during the term of this Service Agreement. BPA and the Transmission Customer agree that transmission service provided pursuant to this Service Agreement may be provided under a Commission-approved successor tariff after September 30, 2001, if BPA supersedes the Tariff.

1.2 STATEMENT OF SPECIFICATIONS FOR LONG-TERM FIRM TRANSMISSION SERVICE

The Statement of Service Specifications for Long-Term Firm PTP Transmission Service requested by the Transmission Customer for each individual transaction and accepted by BPA is hereby incorporated as Exhibit A and made applicable to that transaction.

1.3 FACILITIES CHARGES

All applicable charges pursuant to the Direct Assignment Facilities Provisions for existing facilities and facilities built as a result of this Service Agreement are hereby incorporated as Exhibit B.

1.4 ANCILLARY SERVICES

The Ancillary Services for PTP Transmission Service under this Service Agreement are hereby incorporated as Exhibit C.

1.5 STABILITY RESERVES

Provisions concerning Stability Reserves are hereby incorporated as Exhibit D. The Transmission Customer agrees to provide Stability Reserves for the term of this Service Agreement, and for the term of any transmission service that BPA provides

the Transmission Customer under any other agreement, if the Transmission Customer submitted the request for transmission service for such transaction or under such agreement prior to the date on which other end-use customers become eligible for the same or comparable BPA transmission service over BPA facilities without a requirement that they provide Stability Reserves. This obligation shall survive any termination of this Service Agreement.

1.6 TRANSMISSION SCHEDULING PROVISIONS

The Transmission Customer shall schedule transmission transactions in accordance with BPA's Transmission Scheduling Provisions and Procedures as posted on BPA's OASIS located at the following Internet URL address:

<http://www.nwoasis.org/OASIS/BPA>

1.7 RELATIONSHIP OF THE PARTIES

BPA agrees to provide and the Transmission Customer agrees to take and pay for PTP Transmission Service in accordance with the provisions of the Tariff and this Service Agreement. Upon determining that a request by the Transmission Customer for Firm PTP Transmission Service meets the requirements of this Service Agreement and the Tariff in effect and applicable to new service requests, BPA shall offer to incorporate the Statement of Specifications for the requested service into Exhibit A. The Transmission Customer's rights to service under the Tariff are limited to the amount of power it could have purchased from BPA under subsection 5(a) of its 1981 Power Sales Contract (hereinafter referred to as Contract Demand), plus the megawatts for transmission losses associated with such Contract Demand; provided, that for purposes of this Service Agreement, upon the Transmission Customer's request, and if transmission capacity is available, the Transmission Demand shall be increased to reflect the increase in Contract Demand to which the Transmission Customer would have been entitled under subsection 5(d), Technological Allowances, of the 1981 Power Sales Contract if the Transmission Customer's Power Sales Contract (and all other DSI power sales contracts) were in effect as of the date of the Transmission Customer's request; provided further, that for purposes of this Service Agreement, the Transmission Customer's Contract Demand shall not be reduced by any termination under section 2 of the 1981 Power Sales Contract. The transmission service made available to the Transmission Customer under this Agreement shall be used for delivery of power and energy to the Transmission Customer's production facilities for consumption; provided that the Transmission Customer may assign unused transmission capacity rights to other Eligible Customers. The assignee of such rights shall not be obligated by such assignment to provide Stability Reserves to BPA unless the assignee is a DSI Customer of BPA, or unless the assignee uses such rights to deliver power to a DSI customer of BPA, in which case the Transmission Customer shall include in the instrument of assignment a provision requiring the assignee to provide Stability Reserves to BPA up to the amount of the capacity rights assigned.

The Transmission Customer may accept an assignment of a PTP agreement and/or transmission capacity from any other Eligible Customer, provided that if the Transmission Customer uses such assigned agreement and/or capacity to transmit non-Federal power, Exhibit D shall apply to such transmission, and provided further that the sum of the Transmission Customer's Transmission Demand under this Service Agreement, the Transmission Demand under all Service Agreements of which it has accepted assignment, and the transmission capacity of which it has accepted assignment shall not exceed Contract Demand plus the megawatts for transmission losses associated with such Contract Demand.

- 1.8 The Transmission Customer may request service under this Agreement in excess of the limitation in Article 1.7. Requests for service in excess of such limitation shall be subject to BPA's precedent and policy of providing transmission capacity to its DSI customers in excess of their Contract Demand.

ARTICLE 2 DEFINITIONS

Unless otherwise defined herein, all capitalized terms shall have the meaning set forth in the Tariff.

ARTICLE 3 TERM OF THE SERVICE AGREEMENT

3.1 EFFECTIVE DATE

Service under this Service Agreement shall commence at 2400 hours on September 30, 1996. Except as provided in Article 4.3, service under this Service Agreement shall terminate on the earlier of: (a) 2400 hours on April 30, 2015; or (b) 2400 hours on the date of termination established pursuant to the Tariff. All liabilities and obligations incurred under this Service Agreement shall be preserved until satisfied.

3.2 ADDITIONAL SERVICE AGREEMENT

Upon termination or expiration of this Service Agreement, and subject to the outcome of National Environmental Policy Act review, BPA shall offer to extend transmission services provided hereunder, of the same quality as, and at terms and conditions consistent with, those offered to entities with the right to request transmission service under Section 211 of the Federal Power Act (FPA), provided that, unless the Transmission Customer's obligation to provide stability reserves has expired pursuant to Article 1.5, the Transmission Customer shall continue to provide Stability Reserves pursuant to the terms of Exhibit D or such other terms as the Parties shall agree upon.

**ARTICLE 4
CHARGES AND PAYMENTS**

4.1 CHARGES FOR TRANSMISSION SERVICE

The Transmission Customer shall pay BPA the applicable charges for Transmission Services provided hereunder pursuant to the BPA Wholesale Power and Transmission Rates Schedules.

4.2 BILLING AND PAYMENT

Bills for all services provided under this Service Agreement shall be rendered monthly by BPA and shall be payable in accordance with the Tariff.

4.3 COMMITMENT TO FIVE YEAR RATE

The Transmission Customer agrees that, until October 1, 2001, it hereby waives its right to: (a) decrease the amount (in megawatts (MW)) of Long-Term Firm Transmission Demand set forth in Exhibit A, and (b) terminate service pursuant to the Tariff. BPA agrees that such amount constitutes a firm commitment of Transmission Demand through September 30, 2001. Through September 30, 2001, BPA shall charge the Transmission Customer for such amount of Long-Term Firm Transmission Demand at the rates currently established for such service pursuant to the PTP-96, IS-96, or IM-96 rate schedules, and the Transmission Customer agrees to pay such rates pursuant to and consistent with the Transmission Settlement Agreement dated April 4, 1996, as adopted in the Administrator's Record of Decision adopting the 1996 Final Rate Proposal (Document No. WP-96-A-02, part 2 of 2, Attachment I). The Transmission Customer's right to dispute any rate increase proposed by BPA to take effect prior to October 1, 2001, shall be pursuant to the Transmission Settlement Agreement.

4.4 BPA APPROPRIATIONS REFINANCING ACT, PUBLIC LAW 104-134

The Transmission Customer and BPA agree that provisions of Section 3201(i) of Public Law 104-134 (BPA Refinancing Act) are incorporated in their entirety and hereby made a part of this Service Agreement.

ARTICLE 5 NOTICES

5.1 NOTICES RELATING TO PROVISIONS OF THE SERVICE AGREEMENT

Any notice, request, demand or statement which is given to or made upon either Party by the other Party under any of the provisions of this Service Agreement, except those specified in Article 5.2 below, shall be in writing and shall be considered delivered when either personally delivered to the following or deposited in the mail postage prepaid and properly addressed to the following:

If to Goldendale Aluminum Company

Goldendale Aluminum Company
1111 Main St., Suite 710.
Vancouver, WA 98860
Attention: Mr. Gerald F. Miller
Title: Vice President Energy and
Government Affairs
Phone: (360)750-5504
Fax: (360)750-5506

If to BPA

Bonneville Power Administration
P. O. Box 491
Vancouver, WA 98666-0491
Attention: Transmission Account
Executive for Goldendale Aluminum
Company, Routing TM/DITT2
Phone: (360) 418-8285
Fax: (360) 418-8320

5.2 NOTICES OF AN OPERATING NATURE

Any notice, request or demand pertaining to matters of an operating nature, exclusive of requests for additional or modified transmission service under the Tariff, shall be sufficient if given in writing, by telephone, by facsimile, or orally in person to the person designated in writing by the Party as its representative for such purposes, provided that should such notice, request, or demand not be in writing, confirmation thereof shall be made in writing as soon as reasonably practicable thereafter, upon request of the Party being served. The representative for receiving notices pursuant to this Article and such representative's address shall be communicated by the Parties under separate letter within 45 days from the date of execution of this Service Agreement.

ARTICLE 6 DISPUTE RESOLUTION

6.1 GOOD FAITH EFFORT

The Parties shall make a good faith effort to resolve any dispute over the rights, obligations, or duties of the Parties arising under this Service Agreement without resort to this Article 6. Any such dispute that cannot be so settled shall be subject to arbitration consistent with the terms of this section. Disputes concerning either the level of a BPA rate or which rate or rate schedule applies to any transmission services offered under this Service Agreement shall not be subject to dispute resolution.

6.2 NOTICE OF ARBITRATION

If the Parties are unable to resolve their dispute, then either Party may begin the arbitration process by sending written notice to the other Party that it requests arbitration. The notice shall state the rights, obligations, or duties in dispute and the remedy sought in the arbitration. Within 30 days of receipt of such notice, the Party receiving such notice shall provide the other Party a reply that sets forth its position regarding the issues in dispute.

6.3 SELECTION OF ARBITRATOR

Within 15 days following the submission of the reply, the Parties shall agree upon an arbitrator, who shall be familiar with the policies governing the Northwest Interconnected Area transmission systems. If the Parties cannot agree on an Arbitrator, they shall take turns striking names from a list of ten qualified individuals supplied by the Northwest Regional Transmission Association (NRTA) from the list maintained by the NRTA Board, with a Party chosen by lot first striking a name. The last-remaining individual whose name is not struck shall be designated the Arbitrator.

6.4 SCHEDULE AND PROCEDURES

The Arbitrator shall establish a schedule and procedures for the arbitration. The Arbitrator may conduct the arbitration based solely on written submittals. The Arbitrator shall apply Federal law to resolve the dispute.

6.5 WRITTEN OPINION

The Arbitrator shall issue a written opinion deciding all issues necessary to resolve the dispute and explaining the basis of the decision and award. The Arbitrator shall issue such opinion no later than 115 days after his appointment as Arbitrator.

6.6 ARBITRATOR'S AWARD

The Arbitrator's award shall be final and binding on the Parties, provided that either Party may seek judicial review of the Arbitrator's award for fraud, misconduct, misrepresentation, or manifest error, and provided further that with respect to issues arising under the Constitution of the United States, BPA preserves its right to seek judicial resolution of the dispute notwithstanding any decision or award by the Arbitrator.

6.7 COSTS

Each Party shall pay all costs it incurs during the arbitration, including but not limited to attorney's fees and costs of expert witnesses. The costs of the Arbitrator shall be borne by the Party against whom the Arbitrator's decision was rendered.

ARTICLE 7 SYSTEM OPERATIONS

7.1 CONTROL AREA DESIGNATION

The Transmission Customer's designation of BPA as its Control Area under this Service Agreement shall not limit the Transmission Customer's right under section 19 of its Block Sales Agreement to change to another Control Area.

7.2 STABILITY RESERVES

The Transmission Customer shall provide BPA with Stability Reserves pursuant to Exhibit D. BPA shall compensate the Transmission Customer for providing such Stability Reserves according to the provisions of Exhibit D.

ARTICLE 8 MISCELLANEOUS

8.1 INTERCONNECTION WITH OTHER SYSTEMS

Nothing contained in this Service Agreement shall restrict or limit either Party from establishing, altering, or terminating interconnection points with any entity not a party to this Service Agreement, or from amending or entering into such agreements.

8.2 GOVERNING LAW

This Service Agreement shall be interpreted, construed, and enforced in accordance with Federal law.

8.3 AMENDMENTS

Except as provided in Article 1.1 and Article 8.5, and unless otherwise agreed in writing by the Parties, BPA may change this Service Agreement upon, and only upon, a determination by the Commission that such change is just, reasonable, and not unduly discriminatory or preferential. Otherwise, this Service Agreement may be amended only upon mutual agreement of the Parties, which amendment shall be reduced to writing and executed by both Parties.

8.4 TARIFF REVISIONS

In the event that BPA proposes to revise the Tariff, either on its own initiative or in response to a directive or order of the Commission, BPA may revise this Service Agreement (except for Exhibit D) to remove any irreconcilable differences between this Service Agreement and the proposed revised Tariff, provided that BPA has given the Transmission Customer a copy of the proposed revised Tariff and proposed revised Service Agreement not less than 60 days prior to the date BPA submits such proposed revised Tariff and such revised Service Agreement to the Commission for approval, and provided the Commission approves the proposed

revised Tariff and revised Service Agreement. Within 30 days of receiving the proposed revised Tariff and revised Service Agreement, the Transmission Customer may provide BPA notice of its intent to terminate this Service Agreement in the event that the Commission approves the revised Service Agreement. If the Transmission Customer provides BPA such notice, and the Commission then approves the revised Service Agreement, the Transmission Customer may terminate this Service Agreement by providing BPA an additional notice of its intent to do so, so long as the Transmission Customer provides such additional notice within 30 days after the effective date of Commission approval of the revised Service Agreement. If the Transmission Customer terminates the Service Agreement pursuant to this Article 8.4, the Transmission Customer shall replace the transmission service provided under this Service Agreement by commencing other transmission service under the Tariff.

8.5 REVISION OF EXHIBITS

If any changes to Exhibits A, B, C, or D are necessary to reflect changes specified below, new exhibits shall be substituted for the exhibits then in effect, and shall become effective as of the date specified therein. The Transmission Customer may use the dispute resolution procedures of Article 6 to challenge such changes.

- 8.5.1 Subject to the rights and obligations of the Parties as set forth in the Tariff, if the Parties agree to change Exhibit A pursuant to this Service Agreement, BPA shall prepare a revised Exhibit A.
- 8.5.2 BPA reserves the right to revise Exhibit B annually to reflect changes consistent with the provisions of Exhibit B, section 1. BPA shall prepare a new Exhibit B.
- 8.5.3 If the Parties agree to change Exhibit C, BPA shall prepare a new Exhibit C. BPA reserves the right to update the loss factors identified in Exhibit C, section 2, Transmission Loss Factors.
- 8.5.4 If the Parties agree to change Exhibit D pursuant to this Service Agreement, BPA shall prepare a new Exhibit D.

8.6 SEVERABILITY

In the event any term, covenant, or condition of this Service Agreement, or any amendment hereto, or the application of such term, covenant, or condition shall be held invalid as to any Party or circumstance by the Commission or by any court having jurisdiction, all other terms, covenants, and conditions of this Service Agreement, or any amendment hereto, and their application shall remain in full force and effect.

8.7 COMPUTATION OF TIME

To compute any period of time prescribed or allowed by this Service Agreement, the day of the act, event, or default from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included unless it is a Saturday, Sunday, or legal holiday, in which event the period shall run until the end of the next day which is not a Saturday, Sunday, or legal holiday. For purposes of the administration of this Service Agreement, Pacific Time shall be used.

8.8 NO THIRD PARTY BENEFICIARIES

This Service Agreement creates rights and obligations only between the Parties hereto. The Parties hereto do not intend to create any obligation or promise of performance to any third person or entity, nor have the Parties conferred any right to enforce this Service Agreement or any remedy upon any person or entity other than the Parties hereto, their respective successors and assigns.

8.9 WAIVERS

Any waiver at any time by either Party of its rights with respect to a default under this Service Agreement, or with respect to any other matter arising in connection with this Service Agreement, shall not be deemed a waiver with respect to any other or subsequent default or matter.

8.10 SUCCESSORS AND ASSIGNS

This Service Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and assigns.

8.11 TRANSMISSION ON NON-FEDERAL SYSTEMS

BPA shall make best efforts to request and purchase, on the Transmission Customer's behalf, transmission services identified by the Transmission Customer from Northwest RTG members or Westside RTG members, or from any transmitting utility pursuant to sections 211 and 212 of the Federal Power Act. The amount so purchased (not including transmission purchased to deliver power from another transmission system to BPA's system) together with the Transmission Customer's Transmission Demand under this Service Agreement and the Transmission Demand and capacity of which the Transmission Customer has accepted assignment pursuant to Article 1.8, shall not exceed Contract Demand plus the megawatts for transmission losses associated with such Contract Demand. The Transmission Customer shall reimburse BPA for all of the costs incurred in complying with this provision.

8.12 SERVICE AGREEMENT GOVERNS

In the event of any irreconcilable difference between the Tariff and this Service Agreement, the language of this Service Agreement shall govern.

8.13 ENTIRE AGREEMENT

This Service Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof, and there are no other understandings or agreements between the Parties with respect hereto.

ARTICLE 9 SIGNATURES

The signatories represent that they are authorized to enter into this Service Agreement on behalf of the Party for whom they sign.

GOLDENDALE ALUMINUM COMPANY

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By: /S/ GERALD F. MILLER

By: /S/ S.J. LONG

Name: Gerald F. Miller
(Print/Type)

Name: Sally J. Long
Print/Type

Title: Vice President

Title: Transmission Account Executive

Date: 2/26/99

Date: 2/23/99

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EXHIBIT A
STATEMENT OF SPECIFICATIONS FOR
LONG-TERM FIRM TRANSMISSION SERVICE

1. TERM OF TRANSACTION

Start Date: at 2400 hours on September 30, 1996

Termination Date: The earlier of: (a) 2400 hours on April 30, 2015; or (b) 2400 hours on the termination date established pursuant to Article 3 of this Service Agreement.

2. MAXIMUM AMOUNT OF CAPACITY AND/OR ENERGY TO BE TRANSMITTED AT EACH POINT OF INTERCONNECTION (POI) AND POINT OF DELIVERY (POD) (Total of which is not to exceed the Total Transmission Demand as described in section 4 of the Transmission Customer's IR contract): See section 3 below.

3. SUMMARY OF POINTS OF INTERCONNECTION AND POINTS OF DELIVERY/DELIVERING PARTY/CONTROL AREA/RECEIVING PARTY/SCHEDULING AGENT

Delivering Party ^{1/}	POI (Voltage)	POI Control Area	Maximum POI Demand (kW)	POD (Voltage)	POD Control Area	Maximum POD Demand (kW)	Receiving Party	Scheduling Agent ^{2/} (Phone Number)
Douglas PUD/ Chelan PUD/ PacifiCorp/ Portland General Electric/ Puget Sound Energy/ Washington Water Power	Vantage Sub 230 kV	Grant Co. PUD	See Sec. 4 Below	Harvalum Sub. 23.0 kV	BPA	See Sec. 4 Below	Goldendale	Power Resource Management
Douglas PUD/ Chelan PUD/ PacifiCorp/ Portland General Electric/ Puget Sound Energy/ Washington Water Power	Rocky Reach Sub. 230 kV	Chelan Co. PUD	See Sec. 4 Below	Harvalum Sub. 23.0 kV	BPA	See Sec. 4 Below	Goldendale	Power Resource Management

^{1/} If the Delivering Party or Resource is not known at the time of Application, the Transmission customer or its Scheduling Agent shall identify the Delivering Party and Resource at the time of preschedule.

^{2/} A single designated Scheduling Agent will act in all capacities for the Transmission Customer pursuant to BPA's Transmission Scheduling Provisions.

4. SUMMARY OF POINTS OF INTERCONNECTION AND POINTS OF DELIVERY

(a) October 1, 1996 – December 31, 1996:

Point of Interconnection (Voltage)	Maximum Transmission Demand (kW)	Point of Delivery (Voltage)	Maximum Transmission Demand (kW)
Vantage Substation 230 kV	147,000	Harvalum Substation 23.0 kV	222,000
Rocky Reach Substation 230 kV	75,000		
Total Transmission Demand	222,000		222,000
Federal System (FCRTS)	222,000 ^{3/}		

(b) January 1, 1997 – March 31, 1997:

Point of Interconnection (Voltage)	Maximum Transmission Demand (kW)	Point of Delivery (Voltage)	Maximum Transmission Demand (kW)
Vantage Substation 230 kV	167,000	Harvalum Substation 23.0 kV	242,000
Rocky Reach Substation 230 kV	75,000		
Total Transmission Demand	242,000		242,000
Federal System (FCRTS)	242,000 ^{3/}		

(c) April 1, 1997 – May 31, 1997:

Point of Interconnection (Voltage)	Maximum Transmission Demand (kW)	Point of Delivery (Voltage)	Maximum Transmission Demand (kW)
Vantage Substation 230 kV	192,000	Harvalum Substation 23.0 kV	292,000
Rocky Reach Substation 230 kV	100,000		
Total Transmission Demand	292,000		292,000
Federal System (FCRTS)	242,000 ^{3/}		

^{3/} The Federal System POI Transmission Demand is not used in the determination of PTP Billing Demand for purposes of determining monthly charges for service.

(d) June 1, 1997 – December 31, 1997:

Point of Interconnection (Voltage)	Maximum Transmission Demand (kW)	Point of Delivery (Voltage)	Maximum Transmission Demand (kW)
Vantage Substation 230 kV	194,000	Harvalum Substation 23.0 kV	294,000
Rocky Reach Substation 230 kV	100,000		
Total Transmission Demand	294,000		294,000
Federal System (FCRTS)	294,000 ^{3/}		

(e) January 1, 1998 – January 31, 1998:

Point of Interconnection (Voltage)	Maximum Transmission Demand (kW)	Point of Delivery (Voltage)	Maximum Transmission Demand (kW)
Vantage Substation 230 kV	195,000	Harvalum Substation 23.0 kV	295,000
Rocky Reach Substation 230 kV	100,000		
Total Transmission Demand	295,000		295,000
Federal System (FCRTS)	295,000 ^{3/}		

(f) February 1, 1998 – April 30, 2015:

Point of Interconnection (Voltage)	Maximum Transmission Demand (kW)	Point of Delivery (Voltage)	Maximum Transmission Demand (kW)
Vantage Substation 230 kV	197,000	Harvalum Substation 23.0 kV	297,000
Rocky Reach Substation 230 kV	100,000		
Total Transmission Demand	297,000		297,000
Federal System (FCRTS)	297,000 ^{3/}		

^{3/} The Federal System POI Transmission Demand is not used in the determination of PTP Billing Demand for purposes of determining monthly charges for service.

5. DESCRIPTION OF POINTS OF INTERCONNECTION

(a) Vantage Substation

Location: The points in the BPA's Vantage Substation where the 230 kV facilities of the BPA and Grant County PUD are connected

Voltage: 230 kV

Metering: Quantities to be scheduled

(b) Rocky Reach Substation

Location: The points in the BPA's Rocky Reach Substation where the 230 kV facilities of the BPA and Chelan County PUD are connected

Voltage: 230 kV

Metering: Quantities to be scheduled

(c) Federal System POI

Location: FCRTS

Voltage: Varies by facility

Metering: Quantities to be scheduled

6. POINTS OF DELIVERY

Harvalum Substation

Location: The points in the BPA's Harvalum Substation where the 23-kV facilities of BPA and the Transmission Customer are connected

Voltage: 23 kV

Metering: In the 23 kV facilities through which such electrical power flows.

Metering Loss Adjustment: Not applicable

Exceptions: For the purpose of determining Transmission Demand under this Service Agreement, the metered quantity shall be reduced by 6,100 kW through 07/01/2001, consistent with Exhibit C of the Klickitat PTP Service Agreement No. 97TX-10038, and further reduced by 1,200 kW for transformer losses.

7. DESIGNATION OF PARTY SUBJECT TO RECIPROCAL SERVICE OBLIGATION

None

8. NAME(S) OF ANY INTERVENING SYSTEMS PROVIDING TRANSMISSION SERVICE

None

10. SHORT DISTANCE DISCOUNT
[0.6 + (0.4 x transmission distance/75)]

Not Applicable

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**EXHIBIT B
FACILITIES CHARGES**

1. CHARGES ASSOCIATED WITH SERVICE OVER DSI DELIVERY FACILITIES

(a) (The DSI Delivery Charge uses Use-of-Facilities Charge Methodology)

Facility	Investment	I&A Annual ost Ratio	I&A Annual Cost	O&M Annual Cost	\$/kW/yr
Harvalum Substation	\$4,244,203	8.13%	\$345,054	\$95,460	440,514

Total Use-of-Facilities Charge = \$36,710/mo (*this monthly charge is effective October 1, 1998*)

(b) Changes in Costs and Demands

This Exhibit B may be revised annually to reflect changes in: (1) the yearly noncoincidental demands on the facility under this Service Agreement and other agreements; (2) I&A annual cost ratios; (3) O&M annual costs; and (4) investments in facilities. Any changes in the costs or demands used in calculating the Delivery Charge in this Exhibit B are subject to the dispute resolution provisions of Article 6.

2. DIRECT ASSIGNMENT FACILITIES CHARGES

None

3. FORMER UFT FACILITIES

None

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**EXHIBIT C
ANCILLARY SERVICES**

1. ANCILLARY SERVICES PROVIDED

	<u>Provided By</u>	<u>Contract No.</u>
(a) Scheduling and Dispatch	BPA TBL ^{1/}	96MS-96109
(b) Energy Imbalance	BPA PBL ^{2/}	96MS-94854
(c) Control Area Reserves for Resources	N/A	
(d) Control Area Reserves for Interruptible Purchases	BPA PBL	95MS-94854
(e) Load Regulation	BPA PBL	95MS-94854
(f) Reactive Supply and Voltage Control	BPA TBL	96MS-96109
(g) Transmission Losses	BPA TBL	(reference section 1(g)(5), below)

Compensation for Transmission Losses associated with the delivery of power over the FCRTS under this Service Agreement shall be governed by the following provisions:

(1) Transmission Losses Associated with Federal Power

Losses associated with Federal power purchased pursuant to BPA's PF-96, NR-96, and IP-96 Wholesale Power and Transmission Rate Schedules are provided by BPA and included in the rate for such power. No additional compensation is required.

(2) Transmission Losses Associated with Non-Federal Power and Other Classes of Federal Power

The Transmission Customer shall compensate BPA for losses BPA incurs when providing transmission service over the FCRTS for non-Federal power and other classes of Federal power (unless otherwise specified in the Transmission Customer's contract for the purchase of such power) integrated at Points of Interconnection, except those amounts associated with purchases

^{1/} BPA's Transmission Business Line

^{2/} BPA's Power Business Line

specified in 1(g)(1) above. The compensation shall be determined by multiplying the amount of power delivered under this Service Agreement by the applicable Loss Factor listed below in section 2; and

- (A) adding the resulting amount to the billing factor for the Transmission Customer's purchases of Federal power; or
 - (B) Transmission Customer purchasing the resulting amount from BPA pursuant to the APS-96 rate schedule (or its successor) for Transmission Losses. The options for purchasing losses (i.e. fixed price, NYMEX) shall be specified in the annual notification letter described in subsection 1(g)(4)(A) below; or
 - (C) Transmission Customer returning the resulting amount to BPA from a single control area 168 hours after the time of delivery of power for which loss compensation is required.
- (3) **Transmission Losses Associated with Delivery Facilities**
Transmission Losses associated with Delivery Facilities shall be determined annually, by Fiscal Year ³ pursuant to the following procedure:
- (A) determining the ratio of power delivered over Delivery Facilities to the total power delivered to the Transmission Customer over the FCRTS; and
 - (B) multiplying the resulting ratio by the total amount delivered to the Transmission Customer less amounts described in 1(g)(1) above; and
 - (C) multiplying the result derived in step 1(g)(3)(B) by the Delivery Facility loss factor listed below in section 2; and
 - (D) Transmission Customer purchasing the resulting amount from BPA pursuant to the APS-96 rate schedule (or its successor) for Transmission Losses. The options for purchasing losses (i.e. fixed price, NYMEX) shall be specified in the annual notification letter described in subsection 1(g)(4)(A) below.

³ Fiscal Year is defined as the twelve month period from October 1 through September 30.

(4) **Notification**

- (A) Each Fiscal Year except the Fiscal Year this Service Agreement is executed, BPA shall send a letter by August 1 requesting that the Transmission Customer choose one of the methods described in section 1(g)(2). The Transmission Customer shall indicate in the letter its choice for compensating BPA for transmission losses during the following Fiscal Year, countersign the letter and return one copy to BPA by September 1 of the then current Fiscal Year. The countersigned letter shall serve as the Transmission Customer's confirmation and shall constitute a revision to section 1(g)(5) of Exhibit C.
- (B) If the Transmission Customer selects option 1(g)(2)(C) above, the Transmission Customer shall inform BPA of the single control area the Transmission Customer will use during the subsequent Fiscal Year.
- (C) In the event that, in any Fiscal Year, the Transmission Customer does not notify BPA by September 1 of the method it has chosen, the Transmission Customer's compensation method shall be the method used for the then current Fiscal Year.

(5) **Transmission Customer's Method of Compensation of Annual Transmission Losses during a Fiscal Year**

The Transmission Customer purchased Transmission Losses, from BPA at a rate of 14.25 mills/kWh for the period 10/1/96 – 09/30/97. For the period 10/01/97 – 09/30/98, and 10/01/98 – 09/30/99, the Transmission Customer is purchasing transmission losses from BPA's Power Business Line under Contract No. 97PB-20847.

2. TRANSMISSION LOSS FACTORS

Network Loss Factor: 1.9 percent of kWh delivered

ET Loss Factor: 1.9 percent of kWh delivered

Delivery Facility Loss Factor: 0.6 percent of kWh delivered

IS Loss Factor: 3.0 percent of kWh delivered

BPA reserves the right, after consultation with the Transmission Customer, to review the loss methodology and revise this Exhibit C as appropriate, but not more frequently than once in a 12-month period, to incorporate loss factors which represent then-current FCRTS operating conditions. BPA shall prepare a new Exhibit C incorporating any revision and the revised exhibit shall become effective as of the date specified therein.

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EXHIBIT D STABILITY RESERVES

The Transmission Customer shall provide Stability Reserves up to the Transmission Demand, exclusive of Transmission Demand used for deliveries of firm power purchased under the Block Sale, for Transmission Services provided pursuant to this Service Agreement.

1. DEFINITIONS

- (a) "Event" is a system condition that results in the need for Stability Reserves. The beginning of an event shall be identified by a transfer trip or other signal from BPA to the Transmission Customer restricting delivery of energy under this Service Agreement. The end of the Event shall be identified by the BPA dispatcher's notification to the Transmission Customer that transmission of all energy to which the Transmission Customer is entitled under this Service Agreement has been restored, or notice to the Transmission Customer that service to the Transmission Customer's load will continue to be fully or partially restricted for reasons other than BPA Stability Reserves rights under this Service Agreement. Notwithstanding the foregoing, the Event will end (subject to reinstatement as provided herein) when an undervoltage or underfrequency load shedding signal is received by the Transmission Customer and, if such undervoltage or underfrequency load shedding signal is received by the Transmission Customer prior to Event Minute 3, then the entire Event shall be deemed an event of force majeure.

The Event shall be reinstated and continue as follows:

- (1) If the Event Duration was 5 Event Minutes or less, then the Event shall be reinstated if BPA restricts deliveries to the Transmission Customer pursuant to its Stability Reserve rights within 2 hours or less of the last Event Minute;
- (2) If the Event Duration was more than 5 Event Minutes but not more than 15 Event Minutes, then the Event shall be reinstated if BPA restricts deliveries to the Transmission Customer pursuant to its Stability Reserve rights within 4 hours or less of the last Event Minute;
- (3) If the Event Duration was more than 15 Event Minutes but not more than 22 Event Minutes, then the Event shall be reinstated if BPA restricts deliveries to the Transmission Customer pursuant to its Stability Reserve rights within 6 hours or less of the last Event Minute;

- (4) If the Event Duration was more than 22 Event Minutes, then the Event shall be reinstated if BPA restricts deliveries to the Transmission Customer pursuant to its Stability Reserve rights within 8 hours or less of the last Event Minute.
- (b) "Event Duration" shall be the total cumulative Event Minutes of the Event.
- (c) "Event Minute" shall be the minutes of restriction (or any portion thereof) during an Event. If BPA restricts less than its full entitlement in any Event Minute, then for purposes of defining the Event, the Event Minutes and Event Duration, BPA shall be deemed to have restricted the entire amount of energy wheeled under this Service Agreement.
- (d) "Material Plant Damage" means the inability of the Transmission Customer to resume industrial production at all or any portion of its plant because of damage to plant production facilities resulting from a restriction; for example, the inability to resume electrolysis in one or more pots without rebuilding or substantially repairing such pot(s).
- (e) "Restricted Energy" means energy not made available to the Transmission Customer hereunder because of an Event, provided, however, that for purposes of this agreement, Restricted Energy shall not include energy scheduled under the Block Sale.
- (f) "Stability Reserves" are those reserves, provided by the Transmission Customer under this Service Agreement, that are necessary to ensure the stability of the Federal Columbia River Transmission System against losses of transmission facilities pursuant to the schemes in section 10 or any additional scheme(s) adopted pursuant to section 7 of this exhibit. Stability Reserves provided under this Service Agreement shall not include, without limitation: (1) stability reserves provided by the Transmission Customer in the Block Sale; or (2) operating reserves or forced outage reserves that BPA has acquired under the Block Sale or under other agreements.

2. AMOUNT OF STABILITY RESERVES

When necessary to provide Stability Reserves, BPA may restrict deliveries of energy wheeled under this Service Agreement to the Transmission Customer's aluminum smelter load (which shall not include wheel turning loads) pursuant to the schemes listed in Exhibit F and to the Transmission Customer's other loads under any additional or extended scheme(s) adopted pursuant to section 7 of this exhibit, for Stability Reserves in the following manner:

- (a) up to 100 percent of the Transmission Customer's energy subject to restriction under this Service Agreement for a period of up to 30 Event Minutes per Event;

- (b) provided, that BPA shall have the sole right to determine whether to restrict all or part of the Transmission Customer's energy subject to restriction hereunder, when an Event occurs.

For accounting purposes, the Transmission Customer's wheel turning load shall be deemed to be served by all of the Transmission Customer's energy suppliers (whether the sale is made directly to the Transmission Customer at its production facility or whether the sale is made at a remote point and the energy is wheeled to the Transmission Customer's production facility), in proportion to the total annual amounts of energy purchased from each such supplier, exclusive of energy purchased under the Block Sale; provided, that if the wheel turning load is served exclusively by a supplier other than BPA who contracted specifically to provide such wheel turning service, such wheel turning load shall be excluded from the allocation.

Notwithstanding any other provision of this Service Agreement, BPA shall use its best efforts to end an Event as soon as possible, and the Transmission Customer agrees to cooperate in development of mechanisms that will enhance BPA's ability to notify the Transmission Customer of the end of an Event.

Notwithstanding any other provision of this Service Agreement, including the breach and damages provisions, BPA shall have no contractual right under this Service Agreement which would cause the Transmission Customer to incur Material Plant Damages; provided, BPA shall not be liable for equitable relief or damages for such Material Plant Damage occurring within 45 Event Minutes or less of an Event pursuant to a Stability Reserve scheme listed in section 10 [*Stability Reserve Schemes*] of this exhibit or adopted pursuant to section 7 of this exhibit.

3. **COMPENSATION FOR STABILITY RESERVES**

- (a) For the right to restrict and for any restrictions provided pursuant to subsection (b) of this exhibit D for the schemes listed in this Exhibit D, BPA shall pay the Transmission Customer a "Reservation Fee" and a "Use Fee".

The Reservation Fee shall be \$0.20 per kilowatt-year for an amount equal to the Transmission Customer's Transmission Demand less the sum of the monthly demands under the Block Sale.

The Use Fee shall be 50 mills/kWh of Restricted Energy during Event Minutes 1 through 15 (or any portion thereof) of an Event; and 100 mills/kWh of Restricted Energy during the Event Minutes 16 through 30 (or any portion thereof) of an Event.

- (b) If the Transmission Customer's load is not connected to a scheme specified in section 10 of this exhibit, or additional or extended scheme adopted pursuant to section 7 of this exhibit, BPA shall have no obligation to pay for Stability Reserves.
- (c) The charges specified in this subsection shall not have any precedential effect for the purpose of determining reasonable Stability Reserve compensation under other agreements, or for determining reasonable Stability Reserve compensation for additional or extended scheme(s) adopted pursuant to section 7 of this exhibit. Neither Party shall introduce as evidence of reasonable compensation this Service Agreement or anything herein related to the compensation for Stability Reserves in BPA's rate cases or similar forums or in a proceeding under section 7.
- (d) BPA's payment obligation hereunder shall not include payment for restrictions under events of force majeure or under rights provided by other agreements. Such restrictions include those restrictions associated with force majeure which cause undervoltage and underfrequency load shedding, future similar schemes of last resort, and outages of transmission facilities required for service hereunder.

4. LIQUIDATED DAMAGES

The Parties acknowledge that restrictions beyond those allowed by this Service Agreement may result in damage to and lost production by the Transmission Customer's aluminum reduction facilities prior to Material Plant Damage, which is difficult to quantify. If the Event Duration exceeds 30 Event Minutes, then BPA shall be liable to the Transmission Customer as follows:

- (a) 200 mills/kWh of Restricted Energy during Event Minutes 31 through 45 (or portion thereof) of an Event;
- (b) 400 mills/kWh of Restricted Energy during Event Minutes (or portion thereof), after Event Minute 45 of an Event;
- (c) provided, that in lieu of (b) above and at the Transmission Customer's option, if the Event Duration exceeds 45 Event Minutes, and the Transmission Customer incurs, in its determination, Material Plant Damage as a direct result of the restriction, then as to the portion of its production facilities that suffers Material Plan Damage, BPA and the Transmission Customer agree that these damages can be reasonably quantified and, therefore, for that portion of its production facilities, the Transmission Customer may recover actual damages (excluding only lost production and lost profits) pursuant to section 4 of this exhibit; but such actual damages shall not exceed \$30 per

kW of plant production facilities suffering Material Plant Damage. The liquidated damages charges in (a) and (b), above, shall continue to apply to that portion of the Transmission Customer's load which does not suffer Material Plant Damage. For purposes of this calculation, the Material Plant Damage shall be deemed to occur at the beginning of Event Minute 46.

5. STORAGE

During a period of restriction under section 2 of this exhibit, during any further restriction of deliveries in breach of this Service Agreement, and during the period of the Transmission Customer's inability to take delivery due to such breach, all of the Transmission Customer's energy scheduled and delivered to BPA under this Service Agreement shall be deemed stored, at no charge, and shall not be spilled. Subject to transmission availability, BPA shall deliver such energy on demand to the Transmission Customer's facilities or to another entity for resale at no charge other than the transmission charge provided herein. The Transmission Customer shall take from storage all such energy prior to purchasing any additional energy required to recover from the Event. If the Transmission Customer does not take the energy from storage within 48 hours of the end of the Event, BPA's obligation to return such energy shall terminate.

6. CONFIDENTIALITY

The Parties agree that all material related to plant technology, plant operations or to proving damages which is submitted by the Transmission Customer to BPA, the arbitrator or any other party in any proceeding under Article 6 of this Service Agreement is confidential. The Parties shall jointly request a protective order from the arbitrator: (a) preserving the confidentiality of such material; (b) limiting its use to such proceeding; and (c) requiring its return to the Transmission Customer at the conclusion of the proceeding. BPA agrees not to voluntarily disclose any such information outside the agency, and agrees to restrict access to and use of such information to employees necessary to and for purposes associated only with the conduct of such proceeding.

7. ADDITIONAL STABILITY RESERVE SCHEMES

To the extent BPA determines:

- (a) the need for additional Stability Reserve scheme(s) not listed in section 10 of this exhibit that would restrict, at a frequency and duration similar to the schemes listed in section 10, the energy subject to restriction under this Service Agreement; and
- (b) the need to apply Stability Reserve schemes listed in section 10 and additional Stability Reserve scheme(s) to energy wheeled under this Service Agreement to non-aluminum DSIs, or

(c) the need for modifications to the elements of schemes listed in section 10 of this exhibit that would significantly change the expected frequency or duration of restrictions, then:

- (1) BPA shall consult with the Transmission Customer on the need for operational characteristics as they affect the Transmission Customer, and compensation for such scheme(s), and;
- (2) BPA shall consider alternative methods and costs, including purchases from non-DSIs, for obtaining such additional reserves.

The Transmission Customer agrees to cooperate in the development of such scheme(s) and shall not unreasonably withhold its consent to implementation of such scheme(s).

8. MAKE UP TRANSMISSION

When an Event ends, BPA shall permit, subject to Available Transmission Capacity, without additional demand or Unauthorized Increase charges, short-term, non-recurring demand overruns of the Transmission Customer's Transmission Demand.

9. ANNUAL ADJUSTMENTS AFTER OCTOBER 1, 1995

Subsequent to October 1, 1995, on the effective date of any IP Premium or successor rate adjustment thereafter, the fees and charges (SRC_x) identified in section 3 and section 4 of this exhibit shall be adjusted as follows:

$$\text{SRC}_x = \text{SRC base} * \frac{\text{IP-New}}{\text{IP-93}}$$

where SRC_x = Each of the stability reserve fees identified in section 3 and charges identified in section 4 of this exhibit, as adjusted hereunder, to be effective on the effective date of any IP or successor rate adjustment on or after October 1, 1995.

SRC Base = The stability reserve fees as specified in section 3 and the changes as specified in section 4 of this exhibit.

IP-New	=	Each newly adjusted average IP Premium rate or successor rate effective after October 1, 1995, in mills per kWh. Such IP Premium or successor rate shall be calculated at a load factor of 90 percent, and assuming a uniform demand in all months. If there is more than one IP Premium or successor rate, the average shall be determined by a weighting based on forecasted sales in the relevant rate case.
IP-93	=	The average IP Premium rate in effect on October 1, 1993, in mills per kWh. Such average IP Premium rate shall be calculated at a load factor of 90 percent and assuming a uniform demand in all months. If there is more than one IP or successor rate, the average shall be determined by a weighting based on forecasted sales in the relevant rate case.

10. STABILITY RESERVE SCHEMES

Import Contingency Load Tripping Schemes: Remedial Action Scheme for the loss of the AC Intertie and Remedial Action Scheme for the loss of the DC Intertie.

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**REVISION 3, EXHIBIT A
STATEMENT OF SPECIFICATIONS FOR
LONG-TERM FIRM TRANSMISSION SERVICE**

This revision reduces the Transmission Customer's demand to zero as a result of the assignment of the Transmission Customer's Total Transmission Demand under this Agreement to the BPA Power Business Line. This revision is effective October 1, 2002.

1. TERM OF TRANSACTION

Start Date: at 2400 hours on September 30, 1996.

Termination Date: the earlier of: (a) 2400 hours on April 30, 2015; or
(b) 2400 hours on the termination date established pursuant to Article 3 of this Service Agreement.

2. MAXIMUM AMOUNT OF CAPACITY AND/OR ENERGY TO BE TRANSMITTED AT EACH POINT OF INTERCONNECTION (POI) AND POINT OF DELIVERY (POD) (Total of which is not to exceed the Total Transmission Demand as described in section 4 of the Transmission Customer's IR contract): See section 3 below.

3. SUMMARY OF POINTS OF INTERCONNECTION AND POINTS OF DELIVERY/DELIVERING PARTY/CONTROL AREA/RECEIVING PARTY/SCHEDULING AGENT

Delivering Party ¹	POI (Voltage)	POI Control Area	Maximum POI Demand (kW)	POD (Voltage)	POD Control Area	Maximum POD Demand (kW)	Receiving Party	Scheduling Agent ² (Phone Number)
Douglas PUD/ Chelan PUD/ PacifiCorp/ Portland General Electric/ Puget Sound Energy/ Washington Water Power	Vantage Sub 230 kV	Grant County PUD	See Sec. 4 Below	Harvalum Sub 23.0 kV	BPA	See Sec. 4 Below	Goldendale	Avista Energy
Douglas PUD/ Chelan PUD/ PacifiCorp/ Portland General Electric/ Puget Sound Energy/ Washington Water Power	Rocky Reach Sub 230 kV	Chelan County PUD	See Sec. 4 Below	Harvalum Sub 23.0 kV	BPA	See Sec. 4 Below	Goldendale	Avista Energy

¹ If the Delivering Party or Resource is not known at the time of Application, the Transmission customer or its Scheduling Agent shall identify the Delivering Party and Resource at the time of preschedule.

² A single designated Scheduling Agent will act in all capacities for the Transmission Customer pursuant to BPA's Transmission Scheduling Provisions.

4. **SUMMARY OF POINTS OF INTERCONNECTION AND POINTS OF DELIVERY**

(a) **October 1, 1996 – December 31, 1996:**

Point of Interconnection (Voltage)	Maximum Transmission Demand (kW)	Point of Delivery (Voltage)	Maximum Transmission Demand (kW)
Vantage Substation 230 kV	147,000	Harvalum Substation 23.0 kV	222,000
Rocky Reach Substation 230 kV	75,000		
Total Transmission Demand	222,000		222,000
Federal System (FCRTS)	222,000 ³		

(b) **January 1, 1997 – March 31, 1997:**

Point of Interconnection (Voltage)	Maximum Transmission Demand (kW)	Point of Delivery (Voltage)	Maximum Transmission Demand (kW)
Vantage Substation 230 kV	167,000	Harvalum Substation 23.0 kV	242,000
Rocky Reach Substation 230 kV	75,000		
Total Transmission Demand	242,000		242,000
Federal System (FCRTS)	242,000 ³		

(c) **April 1, 1997 – May 31, 1997:**

Point of Interconnection (Voltage)	Maximum Transmission Demand (kW)	Point of Delivery (Voltage)	Maximum Transmission Demand (kW)
Vantage Substation 230 kV	192,000	Harvalum Substation 23.0 kV	292,000
Rocky Reach Substation 230 kV	100,000		
Total Transmission Demand	292,000		292,000
Federal System (FCRTS)	242,000 ³		

³ The Federal System POI Transmission Demand is not used in the determination of PTP Billing Demand for purposes of determining monthly charges for service.

(d) **June 1, 1997 – December 31, 1997:**

Point of Interconnection (Voltage)	Maximum Transmission Demand (kW)	Point of Delivery (Voltage)	Maximum Transmission Demand (kW)
Vantage Substation 230 kV	194,000	Harvalum Substation 23.0 kV	294,000
Rocky Reach Substation 230 kV	100,000		
Total Transmission Demand	294,000		294,000
Federal System (FCRTS)	294,000 ³		

(e) **January 1, 1998 – January 31, 1998:**

Point of Interconnection (Voltage)	Maximum Transmission Demand (kW)	Point of Delivery (Voltage)	Maximum Transmission Demand (kW)
Vantage Substation 230 kV	195,000	Harvalum Substation 23.0 kV	295,000
Rocky Reach Substation 230 kV	100,000		
Total Transmission Demand	295,000		295,000
Federal System (FCRTS)	295,000 ³		

(f) **February 1, 1998 – October 1, 2002:**

Point of Interconnection (Voltage)	Maximum Transmission Demand (kW)	Point of Delivery (Voltage)	Maximum Transmission Demand (kW)
Vantage Substation 230 kV	197,000	Harvalum Substation 23.0 kV	297,000
Rocky Reach Substation 230 kV	100,000		
Total Transmission Demand	297,000		297,000
Federal System (FCRTS)	297,000 ³		

³ The Federal System POI Transmission Demand is not used in the determination of PTP Billing Demand for purposes of determining monthly charges for service.

(g) **October 1, 2002 – April 30, 2015:**

Point of Interconnection (Voltage)	Maximum Transmission Demand (kW)	Point of Delivery (Voltage)	Maximum Transmission Demand (kW)
Vantage Substation 230 kV	0	Harvalum Substation 23.0 kV	0
Rocky Reach Substation 230 kV	0		
Total Transmission Demand	0		0

5. DESCRIPTION OF POINTS OF INTERCONNECTION

(a) Vantage Substation

Location: the points in the BPA's Vantage Substation where the 230 kV facilities of BPA and Grant County PUD are connected;

Voltage: 230 kV;

Metering: quantities to be scheduled.

(b) Rocky Reach Substation

Location: the points in the BPA's Rocky Reach Substation where the 230 kV facilities of BPA and Chelan County PUD are connected;

Voltage: 230 kV;

Metering: quantities to be scheduled.

(c) Federal System POI

Location: FCRTS;

Voltage: varies by facility;

Metering: quantities to be scheduled.

6. POINTS OF DELIVERY

Harvalum Substation

Location: the points in the BPA's Harvalum Substation where the 23 kV facilities of BPA and the Transmission Customer are connected;

Voltage: 23 kV;

Metering: in the 23 kV facilities through which such electrical power flows;

Metering Loss Adjustment: not applicable;

Exceptions: for the purpose of determining Transmission Demand under this Service Agreement, the metered quantity shall be reduced by 6,100 kW through September 30, 2006, consistent with Exhibit C of the Klickitat PTP Service Agreement No. 97TX-10038, and further reduced by 1,200 kW for transformer losses.

7. DESIGNATION OF PARTY SUBJECT TO RECIPROCAL SERVICE OBLIGATION

None.

8. NAME(S) OF ANY INTERVENING SYSTEMS PROVIDING TRANSMISSION SERVICE

None.

10. SHORT DISTANCE DISCOUNT

Not applicable.

GOLDENDALE ALUMINUM COMPANY

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By: /S/ BRETT WILCOX

By: /S/ SALLY J LONG

Name: Brett Wilcox
(Print/Type)

Name: Sally J. Long
(Print/Type)

Title: CEO

Title: Transmission Account Executive

Date: 9/26/02

Date: 9/26/02

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**STATEMENT OF SPECIFICATIONS FOR
LONG-TERM FIRM TRANSMISSION SERVICE**

This revision extends the July 01, 2001, date referenced in paragraph 6 to September 30, 2006. This revision is effective October 1, 2001.

1. TERM OF TRANSACTION

Start Date: at 2400 hours on September 30, 1996.

Termination Date: the earlier of: (a) 2400 hours on April 30, 2015; or
(b) 2400 hours on the termination date established pursuant to Article 3 of this Service Agreement.

2. MAXIMUM AMOUNT OF CAPACITY AND/OR ENERGY TO BE TRANSMITTED AT EACH POINT OF INTERCONNECTION (POI) AND POINT OF DELIVERY (POD) (Total of which is not to exceed the Total

Transmission Demand as described in section 4 of the Transmission Customer's IR contract): See section 3 below.

3. SUMMARY OF POINTS OF INTERCONNECTION AND POINTS OF DELIVERY/DELIVERING PARTY/CONTROL AREA/RECEIVING PARTY/SCHEDULING AGENT

Delivering Party ¹	POI (Voltage)	POI Control Area	Maximum POI Demand (kW)	POD (Voltage)	POD Control Area	Maximum POD Demand (kW)	Receiving Party	Scheduling Agent ² (Phone Number)
Douglas PUD/ Chelan PUD/ PacifiCorp/ Portland General Electric/ Puget Sound Energy/ Washington Water Power	Vantage Sub 230 kV	Grant County PUD	See Sec. 4 Below	Harvalum Sub 23.0 kV	BPA	See Sec. 4 Below	Goldendale	Avista Energy
Douglas PUD/ Chelan PUD/ PacifiCorp/ Portland General Electric/ Puget Sound Energy/ Washington Water Power	Rocky Reach Sub 230 kV	Chelan County PUD	See Sec. 4 Below	Harvalum Sub 23.0 kV	BPA	See Sec. 4 Below	Goldendale	Avista Energy

¹ If the Delivering Party or Resource is not known at the time of Application, the Transmission customer or its Scheduling Agent shall identify the Delivering Party and Resource at the time of preschedule.

² A single designated Scheduling Agent will act in all capacities for the Transmission Customer pursuant to BPA's Transmission Scheduling Provisions.

4. **SUMMARY OF POINTS OF INTERCONNECTION AND POINTS OF DELIVERY**

(a) **October 1, 1996 – December 31, 1996:**

Point of Interconnection (Voltage)	Maximum Transmission Demand (kW)	Point of Delivery (Voltage)	Maximum Transmission Demand (kW)
Vantage Substation 230 kV	147,000	Harvalum Substation 23.0 kV	222,000
Rocky Reach Substation 230 kV	75,000		
Total Transmission Demand	222,000		222,000
Federal System (FCRTS)	222,000 ³		

(b) **January 1, 1997 – March 31, 1997:**

Point of Interconnection (Voltage)	Maximum Transmission Demand (kW)	Point of Delivery (Voltage)	Maximum Transmission Demand (kW)
Vantage Substation 230 kV	167,000	Harvalum Substation 23.0 kV	242,000
Rocky Reach Substation 230 kV	75,000		
Total Transmission Demand	242,000		242,000
Federal System (FCRTS)	242,000 ³		

(c) **April 1, 1997 – May 31, 1997:**

Point of Interconnection (Voltage)	Maximum Transmission Demand (kW)	Point of Delivery (Voltage)	Maximum Transmission Demand (kW)
Vantage Substation 230 kV	192,000	Harvalum Substation 23.0 kV	292,000
Rocky Reach Substation 230 kV	100,000		
Total Transmission Demand	292,000		292,000
Federal System (FCRTS)	242,000 ³		

³ The Federal System POI Transmission Demand is not used in the determination of PTP Billing Demand for purposes of determining monthly charges for service.

(d) June 1, 1997 – December 31, 1997:

Point of Interconnection (Voltage)	Maximum Transmission Demand (kW)	Point of Delivery (Voltage)	Maximum Transmission Demand (kW)
Vantage Substation 230 kV	194,000	Harvalum Substation 23.0 kV	294,000
Rocky Reach Substation 230 kV	100,000		
Total Transmission Demand	294,000		294,000
Federal System (FCRTS)	294,000 ³		

(e) January 1, 1998 – January 31, 1998:

Point of Interconnection (Voltage)	Maximum Transmission Demand (kW)	Point of Delivery (Voltage)	Maximum Transmission Demand (kW)
Vantage Substation 230 kV	195,000	Harvalum Substation 23.0 kV	295,000
Rocky Reach Substation 230 kV	100,000		
Total Transmission Demand	295,000		295,000
Federal System (FCRTS)	295,000 ³		

(f) February 1, 1998 – April 30, 2015:

Point of Interconnection (Voltage)	Maximum Transmission Demand (kW)	Point of Delivery (Voltage)	Maximum Transmission Demand (kW)
Vantage Substation 230 kV	197,000	Harvalum Substation 23.0 kV	297,000
Rocky Reach Substation 230 kV	100,000		
Total Transmission Demand	297,000		297,000
Federal System (FCRTS)	297,000 ³		

³ The Federal System POI Transmission Demand is not used in the determination of PTP Billing Demand for purposes of determining monthly charges for service.

5. **DESCRIPTION OF POINTS OF INTERCONNECTION**

(a) **Vantage Substation**

Location: the points in the BPA's Vantage Substation where the 230 kV facilities of BPA and Grant County PUD are connected;

Voltage: 230 kV;

Metering: quantities to be scheduled.

(b) **Rocky Reach Substation**

Location: the points in the BPA's Rocky Reach Substation where the 230 kV facilities of BPA and Chelan County PUD are connected;

Voltage: 230 kV;

Metering: quantities to be scheduled.

(c) **Federal System POI**

Location: FCRTS;

Voltage: varies by facility;

Metering: quantities to be scheduled.

6. **POINTS OF DELIVERY**

Harvalum Substation

Location: the points in the BPA's Harvalum Substation where the 23 kV facilities of BPA and the Transmission Customer are connected;

Voltage: 23 kV;

Metering: in the 23 kV facilities through which such electrical power flows;

Metering Loss Adjustment: not applicable;

Exceptions: for the purpose of determining Transmission Demand under this Service Agreement, the metered quantity shall be reduced by 6,100 kW through September 30, 2006, consistent with Exhibit C of the Klickitat PTP Service Agreement No. 97TX-10038, and further reduced by 1,200 kW for transformer losses.

7. **DESIGNATION OF PARTY SUBJECT TO RECIPROCAL SERVICE OBLIGATION**
None.
8. **NAME(S) OF ANY INTERVENING SYSTEMS PROVIDING TRANSMISSION SERVICE**
None.
10. **SHORT DISTANCE DISCOUNT**
Not applicable.

GOLDENDALE ALUMINUM COMPANY

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By: /S/ GERALD F. MILLER

By: /S/ SALLY J LONG

Name: Gerald F. Miller
(Print/Type)

Name: Sally J. Long
(Print/Type)

Title: Vice President

Title: Transmission Account Executive

Date: 12-21-01

Date: 12/21/01

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AUTHENTICATED

**REVISION 1, EXHIBIT B
FACILITIES CHARGES**

This revision deletes the UFT charges as a result of the inclusion of these charges for the Harvalum Substation in the new Golden Northwest Aluminum, Inc. PTP Service Agreement, No. 02TX-11262. This revision is effective October 1, 2002.

**1. CHARGES ASSOCIATED WITH SERVICE OVER DSI DELIVERY
FACILITIES**

None

2. DIRECT ASSIGNMENT FACILITIES CHARGES

None

3. FORMER UFT FACILITIES

None

GOLDENDALE ALUMINUM COMPANY

**UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration**

By: /S/ BRETT WILCOX

By: /S/ SALLY J LONG

Name: Brett Wilcox
(Print/Type)

Name: Sally J. Long
(Print/Type)

Title: CEO

Title: Transmission Account Executive

Date: 9/26/02

Date: 9/26/02

(W:\TMC\CT\Goldendale Alum\Revisions\96109B1) 9/26/02

This Revision No. 4 reflects the Ancillary Services effective October 1, 2001. These rates are subject to the ACS-02 Rate Schedule or successor rate schedules.

		Provided By	Contract No.
1.	SCHEDULING, SYSTEM CONTROL AND DISPATCH	Transmission Provider	96MS-96109
2.	REACTIVE SUPPLY AND VOLTAGE CONTROL	Transmission Provider	96MS-96109
3.	REGULATION & FREQUENCY RESPONSE	Transmission Provider	96MS-96109
4.	ENERGY IMBALANCE SERVICE	Transmission Provider	96MS-96109
5.	OPERATING RESERVE - SPINNING RESERVE	Transmission Provider	96MS-96109
6.	OPERATING RESERVE - SUPPLEMENTAL RESERVE	Transmission Provider	96MS-96109

GOLDENDALE ALUMINUM COMPANY

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power AdministrationBy: /S/ GERALD F. MILLERBy: /S/ S J LONGName: Gerald F. Miller
(Print/Type)Name: Sally J. Long
(Print/Type)Title: Vice PResidentTitle: Transmission Account ExecutiveDate: 10/31/01Date: 10/02/01

(W:\TMC\CT\Goldendale Alum\Revisions\96109C4.doc) 09/21/01

Department of Energy
Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

TRANSMISSION BUSINESS LINE

AUTHENTICATED

August 25, 1997

In reply refer to: TM/Lloyd

Mr. Gerald F. Miller
Vice President, Energy & Government Affairs
Goldendale Aluminum Company
1111 Main, Suite 710
Vancouver, WA 98660

Dear Mr. Miller:

This letter further extends the transmission service between the Bonneville Power Administration (BPA) and Goldendale Aluminum Company (Goldendale) to allow sufficient time to conclude negotiations of the Point-to-Point (PTP) Service Agreement, Contract No. 96MS-96109. As we have discussed, there will be a PTP template for Direct-Service Industrial Customers (DSI) that will form the basis for the final PTP Service Agreement between BPA and Goldendale. That PTP template is in the final stages of completion, but not sufficiently completed to allow for a final PTP Service Agreement between BPA and Goldendale by September 1, 1997. In order to give us sufficient time to negotiate the final Goldendale PTP Agreement, BPA will extend the transmission service under the current arrangements to the period ending September 30, 1997.

If Goldendale agrees with the statements in this letter, indicate by signing below and returning one copy with original signatures to me within five (5) working days.

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By /s/ SALLY J. LONG
Transmission Account Executive

Name Sally J. Long
(Print/Type)

Date August 25, 1997

CONCURRENCE:

GOLDENDALE ALUMINUM COMPANY

By /s/ GERALD F. MILLER

Name Gerald F. Miller
(Print/Type)

Title Vice President, Energy

Date 9-5-97

bcc:

L. Crawford - TMC/Lloyd

C. Espiritu - TMBR/6

M. Ary - TMC/Seattle

R. Paulsrude - TMC/Lloyd

L. Hoffman - TMS/DITT2

Official File - TMC (PM 11)

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Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

TRANSMISSION BUSINESS LINE

AUTHENTICATED
September 25, 1997

In reply refer to: TM/Lloyd

Mr. Gerald F. Miller
Vice President, Energy & Government Affairs
Goldendale Aluminum Company
1111 Main, Suite 710
Vancouver, WA 98660

Dear Mr. Miller:

This letter further extends the transmission service between the Bonneville Power Administration (BPA) and Goldendale Aluminum Company (Goldendale) to allow sufficient time to conclude negotiations of the Point-to-Point (PTP) Service Agreement, Contract No. 96MS-96109. As we have discussed, there will be a PTP template for Direct-Service Industrial Customers (DSI) that will form the basis for the final PTP Service Agreement between BPA and Goldendale. That PTP template is in the final stages of completion, but not sufficiently completed to allow for a final PTP Service Agreement between BPA and Goldendale by October 1, 1997. In order to give us sufficient time to negotiate the final Goldendale PTP Agreement, BPA will extend the transmission service under the current arrangements to the period ending January 31, 1998.

If Goldendale agrees with the statements in this letter, indicate by signing below and returning one copy with original signatures to me within five (5) working days.

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By /s/ SALLY J. LONG
Transmission Account Executive

Name Sally J. Long
(Print/Type)

Date September 26, 1997

CONCURRENCE:

GOLDENDALE ALUMINUM COMPANY

By /s/ GERALD F. MILLER

Name Gerald F. Miller
(Print/Type)

Title Vice President

Date 9/30/97

bcc:

L. Crawford - TMC/Lloyd

C. Espiritu - TMBR/6

M. Ary - TMC/Seattle

R. Paulsrude - TMC/Lloyd

L. Hoffman - TMS/DITT2

Official File - TMC (PM 11)

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Department of Energy
Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

TRANSMISSION BUSINESS LINE

AUTHENTICATED

January 20, 1998

In reply refer to: TM/Lloyd

Mr. Gerald F. Miller
Vice President, Energy & Government Affairs
Goldendale Aluminum Company
1111 Main, Suite 710
Vancouver, WA 98660

Dear Mr. Miller:

The Bonneville Power Administration (BPA) and Goldendale Aluminum Company (Goldendale) have been operating for some time under a draft Point to Point (PTP) Service Agreement, Contract No. 96MS-96109. The purpose of this letter is to further extend this transmission service between the BPA and Goldendale.

BPA desires to conclude negotiations of this PTP Service Agreement. As you are aware, however, the Federal Energy Regulatory Commission (FERC) ordered, on July 30, 1997, BPA to make a number of changes to its PTP Service Tariff to better conform to FERC's Pro Forma Open-Access Tariff. BPA has incorporated these changes into a new Open Access Tariff and submitted that tariff to FERC on December 19, 1997. BPA's new Tariff is currently under review by FERC. Until such time as FERC approves the Open Access Tariff, BPA feels it would not be prudent for BPA and Goldendale to enter into a final PTP Service. Therefore, in order to allow FERC time to conclude its review of BPA's Tariff and service agreements, BPA will extend the transmission service under the current arrangement, Contract No. 96MS-96109, through April 30, 1998.

If Goldendale agrees with the statements in this letter, indicate by signing below and returning one copy with original signatures to me within five (5) working days.

Sincerely,

/S/ SALLY J. LONG

Sally J. Long
Transmission Account Executive
Transmission Marketing and Sales

CONCURRENCE:

GOLDENDALE ALUMINUM COMPANY

By /S/ GERALD F. MILLER

Name Gerald F. Miller

Title Vice President, Energy

Date 1-21-98

bcc:

L. Crawford - TMC/Lloyd

C. Espiritu - TMBR/MOD

M. Ary - TMC/Seattle

R. Lafferty - TMC/Lloyd

S. Buckmier - TMS/DITT2

Official File - TMC (PM 11)

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Department of Energy
Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

TRANSMISSION BUSINESS LINE

AUTHENTICATED

July 29, 1998

In reply refer to: TM/DITT2

Mr. Gerald F. Miller
Vice President, Energy & Government Affairs
Goldendale Aluminum Company
1111 Main, Suite 710
Vancouver, WA 98660

Dear Mr. Miller:

The Bonneville Power Administration (BPA) and Goldendale Aluminum Company (Goldendale) have been operating for some time under a draft Point to Point (PTP) Service Agreement, Contract No. 96MS-96109. The purpose of this letter is to further extend this transmission service between the BPA and Goldendale through July 31, 1998, in order to provide time to resolve outstanding issues.

If Goldendale agrees with the statements in this letter, indicate by signing below and returning one signed original to me no later than June 30, 1998.

Sincerely,

/S/ S. J. LONG

Sally J. Long
Transmission Account Executive
Transmission Marketing and Sales

CONCURRENCE:

GOLDENDALE ALUMINUM COMPANY

By /S/ GERALD F. MILLER

Name Gerald F. Miller

Title Vice President, Energy & Gov't Affairs

Date June 30, 1998



Department of Energy

Bonneville Power Administration
P.O. Box 491
Vancouver, Washington 98666-0491

TRANSMISSION BUSINESS LINE

AUTHENTICATED

July 27, 1998

In reply refer to: TM/DITT2

Mr. Gerald F. Miller
Vice President, Energy & Government Affairs
Goldendale Aluminum Company
1111 Main, Suite 710
Vancouver, WA 98660

Dear Mr. Miller:

The Bonneville Power Administration (BPA) and Goldendale Aluminum Company (Goldendale) have been operating for some time under a draft Point to Point (PTP) Service Agreement, Contract No. 96MS-96109. The purpose of this letter is to further extend this transmission service between the BPA and Goldendale through August 31, 1998, in order to provide time to resolve outstanding issues.

If Goldendale agrees with the statements in this letter, indicate by signing below and returning one signed original to me no later than July 31, 1998.

Sincerely,

/S/ S. J. LONG

Sally J. Long
Transmission Account Executive
Transmission Marketing and Sales

CONCURRENCE:

GOLDENDALE ALUMINUM COMPANY

By /S/ GERALD F. MILLER

Name Gerald F. Miller

Title Vice President, Energy & Gov't Affairs

Date 7-27-98

bcc:

L. Hagensen - TMC/DITT2

C. Espiritu - TMB/MODD

M. Ary - TMC/Seattle

R. Lafferty - TMC/DITT2

S. Buckmier - TMS/DITT1

Official File - TMC (PM 11)

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Department of Energy
Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

TRANSMISSION BUSINESS LINE

AUTHENTICATED

August 31, 1998

In reply refer to: TM/DITT2

Mr. Gerald F. Miller
Vice President, Energy & Government Affairs
Goldendale Aluminum Company
1111 Main, Suite 710
Vancouver, WA 98660

Dear Mr. Miller:

The Bonneville Power Administration (BPA) and Goldendale Aluminum Company (Goldendale) have been operating for some time under a draft Point to Point (PTP) Service Agreement, Contract No. 96MS-96109. The purpose of this letter is to further extend this transmission service between the BPA and Goldendale through January 31, 1999, in order to provide time to resolve outstanding issues.

If Goldendale agrees with the statements in this letter, indicate by signing below and returning one signed original to me no later than August 31, 1998.

Sincerely,

/S/ S.J. LONG

Sally J. Long
Transmission Account Executive
Transmission Marketing and Sales

CONCURRENCE:

GOLDENDALE ALUMINUM COMPANY

By: /S/ GERALD F. MILLER

Name: Gerald F. Miller

Title: Vice President, Energy & Gov't Affairs

Date: August 31, 1998

bcc:

L. Hagensen - TMC/DITT2

C. Espiritu - TMB/MODD

M. Ary - TMC/Seattle

R. Lafferty - TMC/DITT2

S. Buckmier - TMS/DITT1

Official File - TMC (PM 11)

Customer File - TM/DITT2

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Department of Energy

Bonneville Power Administration
P.O. Box 491
Vancouver, Washington 98666-0491

AUTHENTICATED

January 27, 1999

In reply refer to: TM/DITT2

Mr. Gerald F. Miller
Vice President, Energy & Government Affairs
Goldendale Aluminum Company
2905 NE 156 St.
Vancouver, WA 98686

Dear Mr. Miller:

The Bonneville Power Administration (BPA) and Goldendale Aluminum Company (Goldendale) have been operating for some time under a draft Point to Point (PTP) Service Agreement, Contract No. 96MS-96109. The purpose of this letter is to further extend this transmission service between the BPA and Goldendale through February 28, 1999, in order to provide time to resolve outstanding issues.

If Goldendale agrees with the statements in this letter, indicate by signing below and returning one signed original to me no later than January 31, 1999.

Sincerely,

/S/ S. J. LONG

Sally J. Long
Transmission Account Executive
Transmission Marketing and Sales

CONCURRENCE:

GOLDENDALE ALUMINUM COMPANY

By: /S/ GERALD F. MILLER
Name: Gerald F. Miller
Title: Vice President, Energy & Government Affairs
Date: 1-28-99

bcc:

C. Espiritu - TMB/MODD

R. Lafferty - TMC/DITT2

S. Buckmier - TMS/DITT1

Official File - (PM 11) TMC/DITT2

Customer File - TM/DITT2

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Department of Energy
Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

TRANSMISSION BUSINESS LINE

AUTHENTICATED

June 24, 1997

In reply refer to: TM-3

Mr. Gerald F. Miller
Vice President, Energy & Government Affairs
Goldendale Aluminum Company
1111 Main, Suite 710
Vancouver, WA 98660

Dear Mr. Miller:

This letter further extends the transmission service between the Bonneville Power Administration (BPA) and Goldendale Aluminum Company (Goldendale) to allow sufficient time to conclude negotiations of the Point-to-Point (PTP) Service Agreement, Contract No. 96MS-96109. As we discussed, the PTP Agreement between BPA and Kaiser will provide the template for PTP agreements with other direct-service industrial customers, including Goldendale, and the negotiations between BPA and Kaiser are not yet concluded. In order to give us sufficient time to negotiate the final Goldendale PTP Agreement, BPA will extend the transmission service under the current arrangements to the period ending August 31, 1997.

Additionally, consistent with our discussions over the last few months, BPA will increase the Exhibit C, Maximum Transmission Demand Limit from the current 292,000 kilowatts (kW) to 294,000 kW, effective June 1, 1997. This change is necessitated by the fact that the load at the Harvalum Substation has been in excess of the current 292,000 kW in recent months and is permitted under the terms of Goldendale's Power Sales Agreement, Contract No. 95MS-94854, and BPA's approval of a technological allowance which was granted effective August 31, 1995. Enclosed with this letter is a revised Exhibit C.

The Parties will continue to negotiate, in good faith, all unresolved issues to produce a final PTP Service Agreement prior to August 31, 1997.

If Goldendale agrees with the statements in this letter, indicate by signing below and returning one copy with original signatures to me within five (5) working days.

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By /S/ S.J. LONG
Senior Transmission Account Executi

Name Sally J. Long
(Print/Type)

Date June 24, 1997

CONCURRENCE:

GOLDENDALE ALUMINUM COMPANY

By /S/ GERALD F. MILLER

Name Gerald F. Miller
(Print/Type)

Title Vice President, Energy

Date June 26, 1997

**STATEMENT OF SPECIFICATIONS FOR
LONG-TERM FIRM TRANSMISSION SERVICE**

1. TERM OF TRANSACTION

Start Date: September 30, 1996, at 2400 hours.

Termination Date: September 30, 2001, at 2400 hours.

2. Maximum amount of capacity and/or energy to be transmitted at each Point of Interconnection and Point of Delivery (total of which is not to exceed the Total Transmission Demand as described in the Section 4 of the Transmission Customer's IR Contract):

See Section 6 below

3. DELIVERING PARTY/RESOURCE

PanEnergy

4. RECEIVING PARTY

Goldendale Aluminum Company

5. SUMMARY OF POINTS OF INTERCONNECTION AND POINTS OF DELIVERY

(a) **October 1, 1996 - December 31, 1996**

Point of Interconnection (Voltage)	Transmission Demand (kW) 10/1/96 - 12/31/96	Point of Delivery (Voltage)	Transmission Demand (kW) 10/1/96 - 9/30/2001
Vantage Substation 230 kV	147,000	Harvalum Substation 23.0 kV	147,000
Rocky Reach Substation 230 kV	75,000	Harvalum Substation 23.0 kV	75,000
Total Transmission Demand	222,000 kW		222,000 kW

(b) **January 1, 1997 - March 31, 1997**

Point of Interconnection (Voltage)	Transmission Demand (kW) 10/1/96 - 9/30/2001	Point of Delivery (Voltage)	Transmission Demand (kW) 10/1/96 - 9/30/2001
Vantage Substation 230 kV	167,000	Harvalum Substation 23.0 kV	167,000
Rocky Reach Substation 230 kV	75,000	Harvalum Substation 23.0 kV	75,000
Total Transmission Demand	242,000 kW		242,000

(c) **April 1, 1997 - May 31, 1997**

Point of Interconnection (Voltage)	Transmission Demand (kW) 10/1/96 - 9/30/2001	Point of Delivery (Voltage)	Transmission Demand (kW) 10/1/96 - 9/30/2001
Vantage Substation 230 kV	192,000	Harvalum Substation 23.0 kV	192,000
Rocky Reach Substation 230 kV	100,000	Harvalum Substation 23.0 kV	100,000
Total Transmission Demand	292,000 kW		292,000

(d) **June 1, 1997 - September 30, 2001**

Point of Interconnection (Voltage)	Transmission Demand (kW) 10/1/96 - 9/30/2001	Point of Delivery (Voltage)	Transmission Demand (kW) 10/1/96 - 9/30/2001
Vantage Substation 230 kV	194,000	Harvalum Substation 23.0 kV	194,000
Rocky Reach Substation 230 kV	100,000	Harvalum Substation 23.0 kV	100,000
Total Transmission Demand	294,000 kW		294,000

6. **DESCRIPTION OF POINTS OF INTERCONNECTION**

(a) **Vantage Substation**

Location: The points in the BPA's Vantage Substation where the 230 kV facilities of the BPA and Grant County PUD are connected;

Voltage: 230 kV

Transmission Demand: 10/01/96 - 12/31/96: 147,000 kW

Exhibit C, Page 3 of 6
Service Agreement No. MS96-96109
Goldendale Aluminum Company
Effective on 2400 hours on
September 30, 1996

01/01/97 - 03/31/97: 167,000 kW
04/01/97 - 05/31/97: 192,000 kW
06/01/97 - 09/30/01: 194,000 kW

Metering: Quantities to be scheduled

Delivering Party/Resource: PanEnergy

Control Area

10/01/96 - 12/31/96

From: BPA/Cowlitz PUD/EWEB/Grant PUD/PacifiCorp/Portland General Electric/Puget Sound Power and Light/Washington Water Power to BPA

01/01/97 - 03/31/97

From BPA/Cowlitz PUD/EWEB/Grant PUD/PacifiCorp/Portland General Electric/Puget Sound Power & Light/Washington Water Power to BPA

04/01/97 - 05/31/97

From BPA/Cowlitz PUD/EWEB/Grant PUD/PacifiCorp/Portland General Electric/Puget Sound Power & Light/Washington Water Power

06/01/97 - 09/30/01

From BPA/Cowlitz PUD/EWEB/Grant PUD/PacifiCorp/Portland General Electric/Puget Sound Power & Light/Washington Water Power

(b) **Rocky Reach Substation**

Location: The points in the BPA's Rocky Reach Substation where the 230 kV facilities of the BPA and Chelan County PUD are connected;

Voltage: 230 kV

Transmission Demand: 10/01/96 - 03/31/96: 75,000 kW
04/01/97 - 09/30/01: 100,000 kW

Metering: Quantities to be scheduled

Delivering Party/Resource: PanEnergy

Control Area

10/01/96 - 03/31/97

From: BPA/Douglas PUD/PacifiCorp/Portland General Electric/Puget Sound Power and Light/Washington Water Power/Chelan PUD to BPA

04/01/97 - 09/30/01

From BPA/Douglas PUD/PacifiCorp/Portland General Electric/Puget Sound Power & Light/Washington Water Power/Chelan PUD to BPA

7. DESCRIPTION OF POINTS OF DELIVERY

(a) Network Point of Delivery

Harvalum Point of Delivery

Location: The points in the BPA's Harvalum Substation where the 23 kV facilities of BPA and the Transmission Customer are connected.

Voltage: 23 kV

Metering: In the 23 kV facilities through which such electrical power and energy flows.

Loss Adjustment: If applicable, BPA will adjust for transmission losses between the Transmission Customer's point of receipt and point of metering. Such adjustments shall be specified in written correspondence between BPA and the Transmission Customer.

Exceptions: None

8. MAXIMUM AMOUNT OF CAPACITY (TRANSMISSION DEMAND)

10/01/96 - 12/31/96: 222,000 kW

01/01/97 - 03/31/97: 242,000 kW

04/01/97 - 05/31/97: 292,000 kW

06/01/97 - 09/30/01: 294,000 kW

9. DESIGNATION OF PARTY SUBJECT TO RECIPROCAL SERVICE OBLIGATION

Transmission Customer (if they own transmission facilities)

10. NAME(S) OF ANY INTERVENING SYSTEMS PROVIDING TRANSMISSION SERVICE

None

11. TRANSMISSION LOSS FACTORS

Network Facilities: 1.9 percent of kWh delivered

Delivery Transformations: 0.6 percent of kWh delivered

ET: 1.9 percent

12. SHORT DISTANCE DISCOUNT

$[0.6 + (0.4 \times \text{transmission distance}/75)]$

Not Applicable

13. FACILITY COSTS FOR WHICH THE TRANSMISSION CUSTOMER IS RESPONSIBLE

UFT Charges: (See Exhibit H)

Other Charges

14. ANCILLARY SERVICES PROVIDED

(a) Energy Imbalance. Provided by: BPA

(b) Control Area Reserves for Resources. Provided by the resource provider.

(c) Load Regulation. Provided by: BPA

(d) **Transmission Losses**

The Transmission Customer shall obtain sufficient power to compensate BPA for losses incurred over the FCRTS. This shall be accomplished by multiplying the amount of power delivered under this Service Agreement from such resources, other than federal power for which the cost for transmission losses is included in the rate for such power, by applicable Loss Factors and: (1) adding the resulting amount to the billing factor for the Transmission Customer's purchases of federal power; (2) purchasing the resulting amount from BPA under the APS rate schedule for Transmission

Exhibit C, Page 6 of 6
Service Agreement No. MS96-96109
Goldendale Aluminum Company
Effective on 2400 hours on
September 30, 1996

Losses; or (3) providing the resulting amount itself or by arrangement with a third party and scheduling it to BPA at the Point of Delivery 168 hours after the deliveries for which the losses were incurred.

The Transmission Customer shall notify BPA of its method of compensation for losses, in writing, 30 days prior to the first day of October, each year during the term of this Service Agreement.

Transmission Customer's Method of Compensation of Losses:
Goldendale shall purchase Transmission Losses from BPA at a rate of 14.25 mills/kWh for the period 10/1/96 - 09/30/97.

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Department of Energy
Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

TRANSMISSION BUSINESS LINE

May 21, 1997

AUTHENTICATED

In reply refer to: TM-3

Mr. Gerald F. Miller
Vice President, Energy & Government Affairs
Goldendale Aluminum Company
1111 Main, Suite 710
Vancouver, WA 98660

Dear Mr. Miller:

As you are aware, the Bonneville Power Administration (BPA) and Goldendale Aluminum Company have been operating under a Bridge Agreement Letter for Network Transmission (NT) Service dated September 30, 1996. Concurrently, representatives of BPA and Goldendale Aluminum Company (the Parties) have been negotiating transmission service arrangements under a Point to Point (PTP) Service Tariff. To allow sufficient time to conclude negotiations of the PTP Service Agreement, Contract No. 96MS-96109, BPA will extend the transmission service under the current arrangements to the period ending June 30, 1997, while an offer for PTP service is being finalized.

The Parties will continue to negotiate, in good faith, all unresolved issues to produce a final PTP Service Agreement prior to June 30, 1997.

If Goldendale Aluminum Company agrees with the statements in this letter, indicate by signing below and returning one copy with original signatures to me within five (5) working days.

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By /S/ S.J. LONG
Senior Account Executive

Name Sally J. Long
(Print/Type)

Date May 21, 1997

CONCURRENCE:

Goldendale Aluminum Company

By /S/ GERALD F. MILLER

Name Gerald F. Miller
(Print/Type) Vice President, Energy &

Title Government Affairs

Date May 27, 1997

bcc:

L. Skidmore - LP

S. Long - TM-3

C. Espiritu - TMBR-6

M. Ary - TMC

L. Crawford - TMC

R. Paulsrude - TMC

J. Rogers - TMC

P. Arnold - TMS/DITT2

M. Raschio - TOC

Official File - TMC

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Department of Energy
Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

SALES AND CUSTOMER SERVICE

AUTHENTICATED

September 30, 1996

Gerald F. Miller
VP Energy & Government Affairs
Goldendale Aluminum Company
1111 Main, Suite 710
Vancouver, WA 98660

Dear Mr. Miller:

The Bonneville Power Administration (BPA) desires to provide transmission service starting on October 1, 1996 and Goldendale Aluminum Company desires to receive such requested transmission service. However, the parties have not yet executed a final agreement of the Network Integration Transmission Service Agreement (Service Agreement), Contract No. 96MS-96109 (draft date 9/27/96) for such service. Consequently, BPA and Goldendale Aluminum Company agree to the following until such Service Agreement is executed:

BPA shall:

1. Initiate transmission service beginning 2400 hours, September 30, 1996 pursuant to the terms and conditions specified in the above mentioned unexecuted Service Agreement.
2. BPA shall bill Goldendale Aluminum Company for transmission services pursuant to the terms and conditions of the Service Agreement.

Goldendale Aluminum Company shall:

1. Comply with the terms and conditions specified in the above mentioned Service Agreement.
2. Compensate BPA for the Transmission Service in accordance with the Service Agreement and the Tariff.

BPA and Goldendale Aluminum Company agree to operate according to these standards: starting on 2400 hours, September 30, 1996 and ending on the earlier of (a) execution of the Service Agreement or (b) 2400 hours, March 31, 1997. The parties will negotiate, in good faith, all unresolved issues to produce a final draft of the Service Agreement. _____

If Goldendale Aluminum Company agrees with the statements in this letter, indicate by signing below and returning one copy with original signatures to me within five (5) working days.

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By /S/ GARY L. FUQUA
Senior Account Executive

Name Gary L. Fuqua
(Print/Type)

Date SEP 30 1996

CONCURRENCE:

GOLDENDALE ALUMINUM COMPANY

By /S/ GERALD F. MILLER

Name Gerald F. Miller
(Print/Type)

Title Vice President Energy

Date September 30, 1996

Enclosure

Department of Energy

Bonneville Power Administration
Boise Customer Service Center
1101 West River, Suite 250
Boise, Idaho 83702

AUTHENTICATED

March 28, 1997

Mr. Gerald F. Miller
Vice President, Energy & Government Affairs
Goldendale Aluminum Company
1111 Main, Suite 710
Vancouver, WA 98660

Dear Mr. Miller:

Your transmission service, which is currently being provided under the letter dated September 30, 1996, signed by BPA and Goldendale (the Parties), is pursuant to the terms and conditions specified in the draft Service Agreement dated September 27, 1996, Contract No. 96MS96109. Unless otherwise agreed, BPA shall extend the transmission service under the current arrangements to the period ending May 31, 1997, while the contract offer is being finalized.

The Parties shall negotiate, in good faith, all unresolved issues in order to produce a final draft of the Service Agreement.

If Goldendale agrees with the statements in this letter, please indicate by signing below and returning one copy with original signatures to me within five (5) working days.

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By /S/ ROBERT D. KING
Senior Account Executive

Name Robert D. King
(Print/Type)

Date March 28, 1997

CONCURRENCE

GOLDENDALE ALUMINUM COMPANY

By /S/ GERALD F. MILLER

Name Gerald F. Miller
(Print/Type)

Title Vice President of Energy and
Government Affairs

Date April 6, 1997

bcc:

S. Larson - LP

L. Skidmore - LP

L. Crawford - TMC

J. Rogers - TMC

P. Arnold - TMS/DITT2

M. Raschio - TOC

Official File - TMC

JRichey:sl:9565:03/26/97 (BUD-TMC-H:\VWR0973\WINDOWS\CONTRACT\GLDEXT.DOC)



Department of Energy

B.P.A.

Bonneville Power Administration
P.O. Box 491
Vancouver, Washington 98666-0491

99 FEB 26 PM 4: 57

TRANSMISSION BUSINESS LINE

February 24, 1999

In reply refer to: TM/DITT2

Gerald F. Miller
Vice President, Energy & Government Affairs
Goldendale Aluminum Company
1111 Main, Suite 710
Vancouver, WA 98660

Dear Mr. Miller:

This letter will confirm the settlement of a billing dispute between the Bonneville Power Administration (BPA) and the Goldendale Aluminum Company (Goldendale). Goldendale is purchasing power and transmission services from BPA pursuant to a Power Sales Contract, Contract No. 95MS-94854, and a Point-to-Point (PTP) Service Agreement, Contract No. 96MS-96109. On January 12, 1998, a failure in line current instrumentation at the Goldendale aluminum plant resulted in an increase in power consumption and transmission usage. Because of this failure, Goldendale exceeded the Transmission Demand in its PTP Service Agreement and incurred a charge for an unauthorized transmission increase in the amount of \$165,000.

On March 25, 1998, BPA issued its bill for power and transmission services provided to Goldendale for the billing period January 1998. Goldendale paid this bill in full, including the unauthorized transmission increase charge. At or about the same time, Goldendale disputed the application of this charge, arguing that the unauthorized transmission increase was excused pursuant to the terms of the Power Sales Contract. Subsequently the parties had several discussions concerning this issue. Goldendale indicated that it was prepared to pursue arbitration to resolve the dispute.

Therefore, to resolve this billing dispute, and to avoid arbitration, the parties have agreed that BPA will credit Goldendale \$82,500 on its February 1999 transmission bill which will be issued in March 1999. Further, BPA will retain the remaining \$82,500 as full payment for the unauthorized transmission increase charge assessed against, and paid by, Goldendale for the billing period January 1998.

This agreement resolves in full all disputes between the parties relating to BPA's assessment of a charge for an unauthorized transmission increase in January 1998. It shall not set any precedent regarding any other assessment by BPA of a charge for any future unauthorized transmission increase charges, nor may either party rely on this agreement in any subsequent dispute relating to the assessment of a charge for any future unauthorized transmission increase charges.

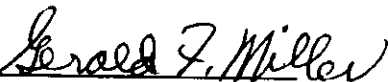
Sincerely,



Charles E. Meyer, Vice President
Transmission Marketing and Sales
Transmission Business Line

Agreed:

Goldendale Aluminum Company

By: 

Gerald F. Miller
Vice President, Energy & Government Affairs

Department of Energy

Bonneville Power Administration
P.O. Box 491
Vancouver, Washington 98666-0491

TRANSMISSION BUSINESS LINE

AUTHENTICATED

March 8, 2000

In reply refer to: TM/DITT2

Letter Agreement
Contract No. 96MS-96109
Stability Reserves

Mr. Gerald F. Miller
Vice President, Energy and
Government Affairs
Goldendale Aluminum
8000 NE Parkway Dr., Suite 300
Vancouver, WA 98662

Mr. Tom D. Svendsen, P.E.
Manager, System Planning
Engineering, & Power Management
Public Utility District No. 1 of Klickitat County
1313 South Columbus
Goldendale, WA 98620

Dear Gerry and Tom:

This letter will serve to confirm our mutual understanding that, until further notice from Goldendale Aluminum Company (GAC), independent of GAC's obligation under its Point-to-Point Transmission Service Agreement (PTP Agreement), Contract No. 96MS-96109, GAC agrees to provide Stability Reserves to the Bonneville Power Administration (BPA) with the

9.0 MW of power delivered to GAC under the Public Utility District No. 1 of Klickitat County PTP Agreement, Contract No. 97TX-10102, beginning December 30, 1999, and that BPA will continue to provide compensation to GAC for such reserves pursuant to the terms of the GAC PTP Agreement.

Sincerely,

/s/ S. J. Long

Sally J. Long
Transmission Account Executive
Transmission Marketing and Sales

CONCURRENCE:

GOLDENDALE ALUMINUM COMPANY

By: /s/ Gerald F. Miller

Name: Gerald F. Miller
Print/Type

Title: Vice President

Date: 3-13-00

CONCURRENCE:

PUBLIC UTILITY DISTRICT NO. 1 OF
KLICKITAT COUNTY

By: /s/ Tom D. Svendsen

Name: Tom D. Svendsen
Print/Type

Title: Power Manager

Date: 3/17/00

cc:

R. Lafferty – TMC/DITT 2

B. Leonard – TMB/MODD

K. Stuwe – TMB/MODD

S. Buckmier – TMS/DITT 1

Official File – TM/DITT 2

Customer File – TM/DITT 2



Goldendale Aluminum Company

APR 8 1998

Office of Energy & Government Affairs
1111 Main, Suite 710
Vancouver, WA 98660

Telephone 360-750-5507
Fax # 360-750-5506

April 6, 1998

Sally J. Long
Transmission Account Executive
BONNEVILLE POWER ADMINISTRATION
P. O. Box 491
Vancouver, WA. 98666-0491

RE: GOLDENDALE ALUMINUM COMPANY
POINT-TO-POINT SERVICE AGREEMENT
January 12, 1998 Equipment Failure Incident

Dear Sally:

On January 12, 1998 at approximately 10:00 a.m. the Goldendale Aluminum Company sustained an accidental equipment failure which resulted in an increased consumption of energy until approximately 10:00 p.m. The equipment involved was the Halmar which measures the electrical current running through the bus and transmits that reading to the power monitoring equipment in the rectifier room. The Halmar contains 16 channels in a large cabinet, with 16 corresponding external fuses. Two fuses failed, causing two channel boards to fail, and thus an incorrect reading to the rectifier room, which in turn caused the power system to draw extra energy to compensate for the failed channels until the problem was corrected that evening. Since this is a technical matter beyond my expertise, I had one of our electrical engineers write me a memo describing the incident. For your records I have enclosed a copy of Russ Patton's January 26, 1998 Memo.

It is important to note that this incident did not result in any benefit to the company (e.g. increased production). In fact, such an event disturbs the regular pot operations, significantly increasing the amperage and thereby adversely affecting the pot condition and its operational "health".

Goldendale has, since September 30, 1996, been taking transmission services from BPA under a series of letter agreements that incorporate a draft Point-To-Point Services Agreement ("Services Agreement"), Contract 96MS-96109 dated September 27, 1996. Each such letter agreement has specified the maximum amount of capacity and/or energy to be transmitted by BPA pursuant to the letter agreement. Goldendale and BPA are also parties to a Power Sales Agreement, Contract No. 95MS-94854, dated September 18, 1995 ("Power Sales Agreement").

Our contracts with BPA support the following conclusions with regard to the January 12, 1998 incident:

1. Goldendale's obligation to BPA as a result of any increase in power deliveries in excess of contract amounts are to be determined exclusively under the Power Sales Agreement;
2. Under the Power Sales Agreement, Goldendale is excused, by the Force Majeure clause, for any obligation that it might otherwise have had to pay BPA for any unauthorized increase charges.

Section 15 of the Power Sales Agreement, **Unauthorized Increase Charges**, has as its express purpose the specification of the consequences to Goldendale of any increase in power deliveries not provided for under other contracts. BPA insisted that all unauthorized deliveries be treated as within Goldendale's obligation under the Power Sales Agreement. Specifically, Section 15 provides that:

"Measured Demand and Measured Energy...which is not assigned to classes of power delivered under other agreements, shall be deemed to be a Firm Power delivery under this Agreement."

Under this Section 15, all deliveries in excess of the 295 MW Transmission Demand in effect for January, 1998 are therefore deemed to be delivered under the Power Sales Agreement. Accordingly, the Power Sales Agreement governs the rights and obligations of BPA and Goldendale with respect to any demand in excess of the demand provided for under the letter agreements.

The accidental failure of the Halmar that caused the demand on January 12, 1998 to increase above the 295 MW provided for under the letter agreement was an "event(s) reasonably beyond the control of the Parties" and is therefore an event of Force Majeure under Section 23 of the Power Sales Agreement. Section 23(b) provides that:

"To the extent either Party is prevented, for the duration of the Force Majeure, from meeting its obligation under this Agreement by a Force Majeure, both Parties shall be excused from their respective obligations without liability to the other for the period reasonably required to restore the affected Party's operations existing prior to occurrence of the Force Majeure." (emphasis supplied)

Based on these contractual provisions, I requested BPA to acknowledge that the January 12, 1998 Halmar failure incident and subsequent overrun was an event of Force Majeure within the meaning of Section 23 of the Power Sales Agreement and that consequently Goldendale should be excused from the obligation that it otherwise would have had to pay BPA an Unauthorized Increase Charge for the overrun. (I note that Section 22.1 of the Point-To-Point tariff, which would have applied were it not for Section 15 of the Power Sales Agreement, would also appear to excuse Goldendale from any liability to BPA that resulted from "...the breakage or accident to machinery or equipment....")

By letter dated March 23, 1998 from Syd Berwager (a copy of which is enclosed for your reference), BPA has agreed that this January 12, 1998 incident was an event of Force Majeure and therefore Goldendale is excused, under the Power Sales Agreement, from paying any Unauthorized Increase Charge to BPA. Based on this agreement, I consider this matter fully resolved between Goldendale and BPA.

If you have any questions, please don't hesitate to call me. I appreciate your consideration on behalf of Goldendale Aluminum Company.

Sincerely,

GOLDENDALE ALUMINUM COMPANY



Gerald F. Miller
Vice President, Energy & Government Affairs

Enclosure

cc: Brett Wilcox
Mac Seyhanli
Jessie Casswell
Mark Baughan



Department of Energy
Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

POWER BUSINESS LINE

COPY

March 23, 1998

In reply refer to: PS

Jerry
Mr. Gerald E. Miller
Vice President and General Counsel
Goldendale Aluminum Company
111 Main, Suite 710
Vancouver, WA 98660

Dear Mr. Miller:

On February 28, 1998, you sent me a letter claiming a Force Majeure incident as the cause of the January 12, 1998, increase in electricity consumption at the Goldendale Aluminum Company (Goldendale) plant. Your letter describes the ten-hour excursion above your authorized forecasted level as related to a fuse failure on the Halmar unit.

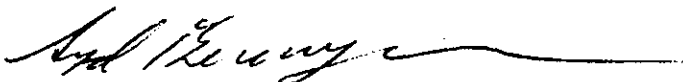
Bonneville Power Administration (BPA) metering records show that on January 12, 1998, Goldendale's smelter load exceeded its forecasted amount by 154.35 megawatt hours. This excess amount is subject to an Unauthorized Increase charge pursuant to section 15 of the Power Sales Agreement between BPA and Goldendale (Contract No. 95MW-94854). This letter, however, gives formal notification of my agreement that this specific event was a Force Majeure incident, and that Goldendale should be excused from paying an Unauthorized Increase charge under the Power Sale Agreement.

While I am willing to agree that circumstances on January 12 leading to the corruption of the Halmar Unit constitute a Force Majeure I understand that blowing fuses on the Halmar Unit (DC) is not an uncommon occurrence and that failures are sometimes a result of Goldendale Aluminum Company doing switching on its own power system. If this is the case, I would trust that in the future, Goldendale would take the Halmar unit out of service during the time a system is being switched.

I am also aware that Goldendale installed a redundant AC metering system which receives kilowatt-hour and kvar hour pulses from BPA's meters. The reason for this equipment's installation was to provide a check and balance against the type of failure that occurred on January 12.

If you have any questions, or would like to discuss further, please feel free to contact me at (503) 230-5657.

Sincerely,



Sydney D. Berwager
Senior Account Executive
Power Marketing and Sales

cc:

S. Long, TBL Account Executive



Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

POWER BUSINESS LINE

January 7, 2000

In reply refer to: PS-6

Mr. Gerald F. Miller
Goldendale Aluminum Company
Office of Energy & Government Affairs
8000 NE. Parkway Dr., Suite 300
Vancouver, WA 98662-6744

Dear Mr. Miller:

The Bonneville Power Administration (Bonneville) has reviewed your letter dated December 14, 1999, requesting technological allowances to increase Contract Demand. Section 6 (c)(2) of Goldendale Aluminum Company's (Goldendale) Power Sales Contract (PSC) with BPA, Contract No. 95MS-94854 (Block Sale Contract) provides for increases in Contract Demand for technological reasons other than plant expansion as provided under section 5(c) of Goldendale's 1981 PSC, Contract No. DE-MS79-81BP-90352. Increases in Contract Demand under the latter contract also increase the Total Transmission Demand available to Goldendale under its transmission contracts, General Transmission Agreement, Contract No. DE-MS79-95BP94762, and Service Agreement for Point-to-Point Transmission, Service Agreement No. 96MS-96109. Goldendale's current Contract Demand equals 300.75 megawatts (MW).

After reviewing the information in your letter, Bonneville has determined that Goldendale is requesting technological allowances in the amounts of:

1. 14.25 MW effective January 1, 2000, due to the installation additional environmental protection equipment and a multi-year project that improved operation of installed equipment and allows cell parameters to be maintained as close as possible to optimum conditions. Such changes have increased cell amperage while increasing both efficiency and power consumption. $[300.75 \text{ MW} + 14.25 \text{ MW} = 315 \text{ MW}]$
2. 3 MW effective January 1, 2000, due to improvements in the operation of equipment on Cell Line A. Such changes have increased cell amperage while increasing both efficiency and power consumption. $[315 \text{ MW} + 3.0 \text{ MW} = 318 \text{ MW}]$
3. 4.0 MW effective July 1, 2000, due to planned modification to cast house and implementation of the point feed technology at 34 cells. Implementation of point feed technology will increase both cell efficiency and power consumption. $[318 \text{ MW} + 4.0 \text{ MW} = 322 \text{ MW}]$

4. 4.0 MW effective April 1, 2001, due to planned modification of auxiliary metal loading and implementation of the point feed technology at 136 cells. Implementation of point feed technology will increase both cell efficiency and power consumption. [322 MW + 4.0 MW = 326 MW]
5. 9.0 MW effective January 1, 2002, due to planned cathode testing and implementation of point feed technology at 170 cells. Implementation of point feed technology will increase both cell efficiency and power consumption. [326 MW + 9.0 MW = 335 MW]
6. 14.0 MW effective January 1, 2003, due to planned implementation of point feed technology at 170 cells and cathode replacement in 76 cells. Implementation of point feed technology and cathode replacement will increase both cell efficiency and power consumption. [335 MW + 14.0 MW = 349 MW]
7. 3.0 MW effective January 1, 2004, due to planned cathode replacement in 76 cells. [349 MW + 3.0 MW = 352 MW]
8. 2.0 MW effective April 1, 2005, due to planned cathode replacement in 76 cells. [352 MW + 2.0 MW = 354 MW]
9. 3.0 MW effective January 1, 2006, due to planned cathode replacement in 76 cells. [354 MW + 3.0 MW = 357 MW]
10. 2.0 MW effective April 1, 2007, due to planned cathode replacement in 76 cells. [357 MW + 2.0 MW = 359 MW]
11. 3.0 MW effective January 1, 2008, due to planned cathode replacement in 76 cells. [359 MW + 3.0 MW = 362 MW]
12. 3.0 MW effective January 1, 2009, due to planned cathode replacement in 76 cells. [362 MW + 3.0 MW = 365 MW]

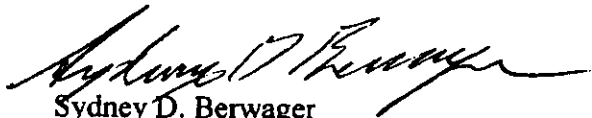
BPA staff has determined that your request for technological allowances is for reasons other than plant expansion and in accordance with the PSC provisions for technological allowance. Upon BPA staff recommendation, Goldendale is hereby granted a technological allowance for the above listed technological improvements by the amounts requested by Goldendale.

The improvements listed in item 1 and 2, above, have already been completed. This 17.25 MW technological allowance shall be effective on the date specified. The remaining technological allowances, items 3 through 12, will take effect in steps, as Goldendale phases in each step of the listed technological improvements. At such time as each improvement is phased in, Goldendale will notify Bonneville, and Bonneville reserves the right to make any inspections of the plant reasonably necessary to verify the completion of such plant improvements. Total Transmission Demand under Goldendale's Point-to Point Transmission Service Agreement, Service Agreement No. 96MS-96109, and General Transmission Agreement, Contract No. DE-MS79-95BP94762, will then be increased up to the maximum amount allowed upon written request from Goldendale to its Transmission Account Executive.

Bonneville's approval of the technological allowances specified in this letter is not intended as an offer to sell Goldendale additional Industrial Firm Power under the Block Sale Contract, or as an offer to sell any amount of power to Goldendale following termination of the Block Sale Contract.

Feel free to call Syd Berwager at 503-230-5657 if you have questions.

Sincerely,



Sydney D. Berwager
Senior Account Executive
Power Marketing and Sales



Sally J. Long
Transmission Account Executive
Transmission Marketing and Sales

bcc:

H. Clark – PSB-5

K. Runzler – LP-7

J. Wright – LP-7

D. Hanlon – PSB-5

S. Long – TM-Ditt2

G. Asburn – PSB-5

R. Lafferty – TM-Ditt2

S. Larson – LT-7

Official File – TMC and PSB

Customer File – TM and PSB

Goldendale PTP file (96ms-96109)

berwager:pas:5657:01/04/2000 (HQ6F01-PS-6-H:\2000\Berwager\Goldendale\01_05Ltr.doc)

Golden Northwest Aluminum

Office of Energy & Government Affairs

7710 N.E. Vancouver Mall Dr., Suite G
Vancouver, WA 98662

Phone: 360 944-9733
Fax: 360 944-9930

09-18-01A10:13 RCVD *Se*

September 17, 2001

Sally Long, Account Executive
Transmission Department
BONNEVILLE POWER ADMINISTRATION
PO Box 491-TM/Ditt - 2
Vancouver, WA 98666-0491

RE: SCHEDULING AGENT CHANGE

Dear Sally,

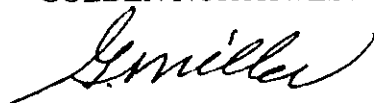
This will confirm my phone conversation with you Friday, September 14, 2001 during which I indicated the need to change my scheduling agent for both of our plants.

Effective October 1, 2001, I am changing our scheduling agent for Goldendale Aluminum Company and Northwest Aluminum Company from Power Resource Managers to Avista Energy. The expectation is that this agency change will continue through March 31, 2002.

Thank you for your cooperation.

Sincerely,

GOLDEN NORTHWEST ALUMINUM, INC.



Gerald F. Miller
Vice President, Energy & Government Affairs

cc: PRM, Jeff Fuller
Avista Energy, Dan Loewen

Golden Northwest Aluminum

Office of Energy & Government Affairs

7700 N.E. Vancouver Mail Dr., Suite G

Vancouver, WA 98666

Phone: 360-944-9930

Fax: 360-944-9930

September 17, 2001

Sally Long, Account Executive
Transmission Department
BONNEVILLE POWER ADMINISTRATION
PO Box 491-TM/Ditt - 2
Vancouver, WA 98666-0491

RE: SCHEDULING AGENT CHANGE

Dear Sally,

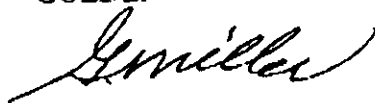
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Effective October 1, 2001, I am changing our scheduling agent for Goldendale Aluminum Company and Northwest Aluminum Company from Power Resource Managers to Avista Energy. The expectation is that this agency change will continue through March 31, 2002.

Thank you for your cooperation.

Sincerely,

GOLDEN NORTHWEST ALUMINUM, INC.



Gerald F. Miller
Vice President, Energy & Government Affairs

cc: PRM, Jeff Fuller
Avista Energy, Dan Loewen

PTP
AGMT
96MS-
96109

PTP AGMT 96MS-96111



Goldendale Aluminum Company

Office of Energy & Government Affairs
8000 NE Parkway Dr., Suite 300
Vancouver, WA 98662-6744

Telephone 360-944-9755
Facsimile 360-944-9930

June 17, 1999

BONNEVILLE POWER ADMINISTRATION
PO Box 491
Vancouver, WA 98666-0491
Attention: Transmission Account
Executive for Goldendale Aluminum Company
Routing TM/DITT2

To whom it may concern,

Pursuant to Article 5.1 of Service Agreement No. 96MS-96109, effective this date, all notices under the terms of this Contract to the Company should be sent to:

Gerald F. Miller
Vice President, Energy & Government Affairs
GOLDENDALE ALUMINUM COMPANY
8000 NE Parkway Dr., Suite 300
Vancouver, WA 98662-6744

I appreciate your attention to this matter so that we may continue uninterrupted communication.

Sincerely,

GOLDENDALE ALUMINUM COMPANY

Gerald F. Miller
Vice President, Energy & Government Affairs

SUBJECT: Notification of Real Power Loss Provider

Please complete this form and return it to your designated Transmission Account Executive via U.S. mail or fax (refer to original letter received).

This is in response to the Bonneville Power Administration's Transmission Business Line (BPAT) request for the one party that will return Real Power Losses associated with all of the transmission schedules for the period between October 1, 2001, and September 30, 2002. For purposes of this response, BPAT indicated that the original notification date of July 1, 2001, was extended to Tuesday, August 14, 2001, by 5:00 p.m.

In response to BPAT's Real Power Loss Notification Provider requirements, the following information is provided:

- 1) The Real Power Loss Provider and the Control Area is:

AVISTA ENERGY, INC. BPA Control Area (Lancaster generator)

- 2) If the Transmission Customer is not self-providing, the contract number between the Transmission Customer and the Provider (Control Area) that is responsible for providing their Real Power Losses is:

To be provided

- 3) If a contract number is not available, the Transmission Customer, at BPAT's request, should submit a copy of the contract.

Gerald F. Miller

Name

Gerald F. Miller

Vice President

Title

Goldendale Aluminum Company

Customer Name

September 14, 2001

Date

Bonneville Power Administration's
Transmission Business Line
Confirmation of Receipt

9/14/01

Date



Department of Energy
Bonneville Power Administration
P.O. Box 491
Vancouver, Washington 98666-0491

TRANSMISSION BUSINESS LINE

AUTHENTICATED

July 23, 1999

In reply refer to: TM/DITT-2

RE: 96MS-96109
Exhibit C, Revision 2

Mr. Gerald F. Miller
Vice President, Energy & Government Affairs
Goldendale Aluminum Company
111 Main, Suite 710
Vancouver, WA 98660

Dear Mr. Miller:

As part of our Point-to-Point (PTP) Service Agreement, Contract No. 96MS-96109, I would like to call your attention to section 1(g) of Exhibit C, Ancillary Services, which addresses compensation to BPA for transmission losses. Section 1(g)(4) specifically requires the Transmission Customer to notify BPA of its method of compensation in writing, by September 1 of the then-current fiscal year. Please review the following four options identified below for compensating BPA for transmission losses for fiscal year 2000, indicate your choice by checking the appropriate box, countersign both copies of this letter, retain one copy for your records and return one copy to me no later than September 1, 1999. This countersigned letter shall constitute a revision to section 1(g)(5) of Exhibit C. All other terms and conditions of Exhibit C remain the same. In the event you do not identify your transmission losses compensation method by returning this letter by this date, the default compensation method shall be that compensation method chosen by your utility for the current fiscal year.

- ☐ 1. Purchase transmission losses from BPA under the APS-96 Rate Schedule under a fixed rate. If you elect to purchase transmission losses from BPA under this option and in accordance with section 1(g)(2)(B) of Exhibit C, for the period October 1, 1999, through September 30, 2000, the price will be 22.8 mills per kWh.
- ☐ 2. Purchase transmission losses from BPA under the APS-96 Rate Schedule at a variable, indexed rate in accordance with section 1(g)(2)(C) of Exhibit C based on NYMEX energy prices at the California-Oregon Border (COB). Based on a ceiling value of 22.80 mills per kWh in any month, as identified in the APS-96 Rate Schedule, and a floor value for fiscal year 2000 of 22.80 mills per kWh in any month (based on the current expected average NYMEX price for the year), the resulting rate equates to a *fixed* rate of 22.80 mills per kWh.

- ☐ 3. Return transmission losses to BPA from a single control area in the Pacific Northwest in accordance with section 1(g)(2)(D) of Exhibit C. This option includes self-providing transmission losses or purchasing transmission losses from a third party who returns the losses on your behalf. If you choose this option, please specify the name of the control area, scheduling agent responsible for returning the losses and transmission loss provider.

Control Area _____

Scheduling Agent _____

Transmission Loss Provider _____

- ☐ 4. Purchase transmission losses from BPA under the PF-96 Rate Schedule as identified in section 1(g)(2)(A) of Exhibit C.

If I can be of any further assistance, please do not hesitate to call me at (360) 418-8285 or Rose Ann Lafferty at (360) 418-8278.

Sincerely,

/S/ SALLY J. LONG

Sally J. Long
Transmission Account Executive
Transmission Marketing & Sales

GOLDENDALE ALUMINUM COMPANY

By _____

Name _____
(Print/Type)

Title _____

Date _____

bcc:

H. Speropolous-TMB/MODD

G. Poland-TMC/DITT2

R. Lafferty-TMC/DITT2

S. Buckmier-TMS\DITT1

Customer File-TM/DITT2

Official File-TMC/DITT2

Department of Energy
Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

Transmission Marketing and Sales

AUTHENTICATED

August 18, 1997

In reply refer to: TM/Lloyd

Gerald F. Miller
Vice President Energy and Government Affairs
Goldendale Aluminum Co.
1111 Main, Suite 710
Vancouver WA 98660

Dear Mr. Miller:

As part of our Point-to-Point (PTP) Service Agreement, Contract No. 96MS-98660, there are two items I would like to call your attention to: (1) annual notification of the compensation method for transmission losses, and (2) correction of the BPA OASIS address.

1. Transmission Losses. Section 1(f) of Exhibit J, Ancillary Services, of the Service Agreement addresses transmission losses and section 1(f)(4) specifically requires the Transmission Customer to notify BPA of its method of compensation for losses for all network resources, in writing, 30 days prior to the first day of October each subsequent year during the term of the Service Agreement. One choice you have regarding transmission losses is to purchase them from BPA. If you elect to purchase Transmission Losses from BPA, under the APS-96 Rate Schedule, for the period October 1, 1997 through September 30, 1998, the price will be 21.0 mills per kWh. As an alternative, if you would like to discuss an indexed price, please contact me. The Service Agreement requires that you notify BPA by September 1, 1997, if you desire to purchase transmission losses from BPA or of your alternate arrangements. In the event you do not identify your transmission losses compensation method by that date, the default is to purchase losses from BPA at the flat rate indicated above.

2. BPA OASIS Address. Exhibit G, Reservation Provisions for Short-Term PTP, lists the Internet URL address to access BPA's OASIS incorrectly. The last portion of the address should be in upper case. The correct address is as follows: <http://www.nwoasis.org/OASIS/BPA>.

If I can be of any further assistance, please do not hesitate to call me at (503) 230-5852.

Sincerely,

/s/THOMAS M. NOGUCHI
for

Sally J. Long
Transmission Account Executive
Transmission Marketing and Sales



Department of Energy

Bonneville Power Administration
P.O. Box 491
Vancouver, Washington 98666-0491

TRANSMISSION BUSINESS LINE

October 2, 2001

In reply refer to: TM

Mr. Gerald F. Miller
VP Energy and Government Affairs
Goldendale Aluminum Company
7710 NE Vancouver Mall Dr. Suite G
Vancouver, WA 98662-6744

Dear Gerry:

Enclosed for your signature are two copies of various exhibit revisions for both Goldendale Aluminum's Point-to-Point (PTP) Transmission Service Agreement No. 96MS-96109, and Northwest Aluminum's PTP Transmission Service Agreement No. 96MS-96111. Revision to each agreement's Statement of Specifications for Long-Term Firm Transmission Service Exhibit is to reflect the change in Scheduling Agent. Revision to each agreement's Ancillary Services Exhibit is to incorporate the new ancillary services that are included in the Bonneville Power Administration Transmission Business Line's new Open Access Transmission Tariff, and 2002 Transmission and Ancillary Services Rate Schedules.

Please sign both copies of each revision, return one complete set of revisions to me at 5411 NE Highway 99, Vancouver, WA 98863 by November 1, 2001, and retain the other copies for your files. Please include my routing code, TM-Ditt2, on the address. If you have any questions, please feel free to call me at (360) 418-8285.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Long", with a large, stylized loop at the end.

Sally J. Long
Transmission Account Executive
Transmission Marketing and Sales

Enclosures



Department of Energy
Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208

OFFICE OF THE ADMINISTRATOR

In reply refer to: PCJ

SEP 1 1981

Dr. Bernie Gamson
Martin Marietta Corporation
6801 Rockledge Drive
Bethesda, MD 20034

On July 13, 1981, Dr. George Morgenthau from your office presented a preliminary draft proposal regarding settlement of the at-site rate issue. Since then, members of my staff have participated in a series of discussions with Dr. Morgenthau in an effort to resolve this issue in a manner which would be equitable and acceptable to both Martin Marietta Aluminum (MMAL) and Bonneville Power Administration (BPA). In accordance with these recent discussions, BPA offers the following proposed settlement which will remain open until September 15, 1981:

WHEREAS, THE Direct-Service Industry customers of BPA (DSI's) and BPA are currently negotiating a new DSI Power Sales Contract in accordance with and at the direction of The Pacific Northwest Electric Power Planning and Conservation Act, P.L. 96-501 (Regional Act) to replace those Power Sales Contracts of DSI's in existence on December 5, 1980; and

Whereas, BPA intends to offer MMAL a new Power Sales Contract by September 5, 1981 and MMAL anticipates negotiating and entering into such a new Power Sales Contract with BPA;

Now, THEREFORE, the parties hereto mutually resolve the at-site issue:

- A. Martin Marietta Aluminum Inc. (MMAL) agrees, subject to its receiving and accepting the new Power Sales Contract, as follows:
1. Such new DSI Power Sales Contract will provide for regular transmission system deliveries in place of at-site deliveries, effective July 1, 1981 upon execution of the new Power Sales Contract. The MMAL power bills from July 1, 1981 until the date of execution of this settlement will be issued on a transmission system delivery basis, i.e., eliminating: (a) the at-site credit, (b) the BPA at-site O&M charges, (c) the at-site transmission charges, and (d) the at-site loss charges. Any wholesale power billing balance owing to BPA, as a result of eliminating the above charges and credits relating to the at-site deliveries, will be handled as an

additional billing of MMAL on the following month's power bill. Any balance owing to MMAL will be paid in cash within thirty (30) days by BPA;

2. MMAL will relinquish, effective July 1, 1981, all rights to the at-site credit including any alleged past or future at-site credit entitlements;
 3. MMAL will withdraw its 1979/80 FERC appeal, Docket No. EF80-2011, and forego any and all similar actions regarding alleged prior or future inequities of the at-site credit, and absolve BPA of any alleged obligations for such settlement; and
 4. MMAL will transfer its rights in and to the Dalles facilities listed in attached Exhibit A, and its rights, title and ownership in and to the Goldendale facilities listed in Exhibit A, upon payment by BPA of the settlement amount specified in paragraph B.5 below. This transfer does not include title to the land on which the Harvalum (Goldendale) Substation is located, but it does include a rent-free lease to BPA for the use of the MMAL land on which the substation is located and the necessary access for operating and maintenance purposes, for as long as BPA requires the substation for service to MMAL or any of its other customers, except that MMAL reserves the right to move the substation to any equivalent area of the property provided that MMAL pay the costs directly incurred in such move.
 5. MMAL agrees to provide to BPA, upon BPA's request, a rent-free Easement to any mutually agreeable and reasonable corridor of the MMAL property at Harvalum for purposes of installation and maintenance of any new transmission lines which BPA deems necessary to provide adequate support of the Harvalum bus, provided that BPA shall be liable for any costs of installation and corridor preparation associated therewith.
- B. In return for the above considerations, BPA agrees to:
1. Issue and execute a new DSI Power Sales Contract with Martin Marietta providing for normal transmission system deliveries which, upon execution, will be effective retroactive to July 1, 1981; the points of delivery under the new contract will be at the 13.8 kV bus at the Harvey (The Dalles) Substation and the 23 kV bus at the rectifier substation next to the Harvalum (Goldendale) Substation; the power bills starting July 1, 1981 will be issued on a transmission delivery basis, i.e., eliminating: the at-site rate discount to MMAL, the BPA at-site transmission charges, the BPA at-site O&M charges, and the

at-site loss charges. Any balances due will be handled as in A.1. above;

2. Terminate the present Transmission and O&M Agreement No. 14-03-86614 (Harvalum, Goldendale) effective July 1, 1981, upon execution of the new Power Sales Contract, however, MMAL will still be obligated to maintain the average monthly power factor at unity in accordance with previous agreements;
3. Terminate the present Transmission and O&M Agreement No. DE-MS79-79BP90012 (The Dalles) effective July 1, 1981, upon execution of the new Power Sales Contract;
4. Terminate the present Power Sales Contract No. 14-03-59136, effective July 1, 1981, upon execution of the new DSI Power Sales Contract, and make billing adjustments to July 1, 1981, as outlined in paragraph B.1 above;
5. Purchase MMAL's rights in and to the transmission facilities for The Dalles, plus the spares, listed in attached Exhibit A and title and ownership of the substation building and the transmission equipment and spares for Goldendale listed in Exhibit A, for a negotiated price of \$2,100,000. This will be a cash settlement within 30 days of the signing of this Agreement;
6. Assume the maintenance responsibility for the transmission equipment and facilities listed in Exhibit A upon execution of this Agreement, provided that for a period of 120 days MMAL will assist BPA, as required, in the maintenance of those items in Exhibit A for which MMAL has been performing the maintenance with its own personnel;
7. Increase the total (combined) Contract Demand at The Dalles and Goldendale under the new DSI Power Sales Contract by 3.8 MW to recognize the transmission losses presently being absorbed by MMAL under the at-site rate discount provision;
8. Formally include in the new Power Sales Contract the total increase in Contract Demand of 15.782 MW for Technological Allowances previously requested for operating years 78/79, 79/80, and 80/81, inclusive, dated February 20, 1981, and amended by letter from G. Morgenthauer to D. Franzwa on August 24, 1981, assuming sufficient resources are available from the DSI Technological Allowance Pool;
9. Formally include in the new Power Sales Contract the increase in Contract Demand of 7.034 MW for the Technological Allowances

requested in the MMAL letter to E. Gjælde dated June 4, 1981, and amended by letter from G. Morgenthauer to D. Franzwa on August 24, 1981, assuming sufficient resources are available from the DSI Technological Allowance Pool;

10. Formally recognize in the new Power Sales Contract a demand limit at Goldendale at a level of 315 MW to accommodate the new potline. The Dalles demand limit will remain at the existing level of 211 MW;
11. BPA recognizes that the three transformer configurations at The Dalles and Goldendale are required to allow adequate performance and on-line maintenance. BPA will allow such equipment configuration to remain in place at no extra cost to MMAL at The Dalles in accordance with provisions relating to transfer of ownership to BPA and prior issuance of Bill of Sale for this equipment, until BPA, in its own judgment, replaces such equipment with equipment whose performance and reliability of service is equal to that which it provides to its other DSI Aluminum Company transmission customers. At Goldendale (Harvalum) an appropriate payment for use of the standby transformer (3rd bank) and associated high and low side switching facilities will be assessed to MMA in accordance with similar arrangements with other DSI's for provision of spare facilities;
12. Construct the necessary future transmission system facilities, at no cost to MMAL, when required to provide adequate support at Harvalum Substation for the proposed increased MMAL demand limit of 315 MW at Goldendale resulting from the load shift from The Dalles;
13. Formally approve the MMAL request for temporary Auxiliary Demand power "up to 17 MW" for the period starting in February, 1982 through June, 1983, for purposes of burn-in of the new cells in the Goldendale Cell Addition project, as found in the letter from Jack Doan of MMAL to Don Franzwa of BPA dated June 23, 1981. BPA will expect MMAL to specify the exact temporary demand MW needed 90 days in advance of February 1, 1982.

In the expectation that MMA will sign this agreement, BPA plans to offer MMAL a new Power Sales Contract reflecting transmission system deliveries in lieu of the current at-site arrangement. In the event this settlement agreement is not accepted, BPA agrees that MMAL, by selection of transmission system deliveries in lieu of at-site deliveries, does not waive the Company's right to seek settlement of previous at-site costs.

Settlement of the above listed issues gives BPA and MMAL an opportunity to start with a clean slate regarding the at-site deliveries and start deliveries under the new Power Sales Contract on the same basis as other DSI's. Any future changes in contract terms or requirement for changes to the electrical facilities except as mentioned above, will be negotiated on the basis of then existing power marketing policies.

The mechanics of final settlement transactions are yet to be determined. If removal of the MMAL electrical facilities from the local tax rolls causes a significant problem, as determined by BPA, a lease/option arrangement (including appropriate costs of money) for payment of the final settlement will be arranged over an appropriate number of years to allow the local entity to phase this facility from their tax budget in an orderly manner. If it is determined that a significant tax problem does not exist, BPA will initiate a cash settlement as stated in Section B.5 above.

If the above listed conditions are acceptable to you please countersign this letter and return it to me. Bonneville will then initiate the appropriate contract actions to implement these arrangements.

Sincerely,

Arthur T. Johnson

Administrator

Effective Date 1 Sept. 1981

Enclosure

MARTIN MARIETTA CORPORATION

By Bernard W. Gamson

Title President

I certify that this is a true copy of the executed document.

Bernard W. Gamson
Bernard W. Gamson, President

MARTIN MARIETTA AT-SITE FACILITIES
AND AT-SITE INVESTMENTS.

Item A Three (3) - 107.1 MVA Power Transformer 115,000-13,800 Volts
Class FOW #1 Westinghouse Serial # 6533564
 #2 Westinghouse Serial # 6533563
 #3 Westinghouse Serial # 6534647

(These transformers have been upgraded from 90 MVA FQA to 107.1 MVA FOW)

Item C One (1) - 115,000 Volt Power Breaker - Switch Gear, Purchased Under Harvey P.O. HDR 1001 - Westinghouse Serial No. not available. Installed by BPA at Big Eddy Substation. MMAL Asset # 499997.

Item E Mosier City Line Reroute - March 1958 - Capitalized. Work done by Hale Inc. MMAL Asset # 49999.

II. GOLDENDALE

Manufacturer - General Electric Co.
Instrument Potential Transformers, Type BW, Oil Immersed

<u>Serial No.</u>	<u>Asset Tag No.</u>
J731940	501330
J731941	501331
J731942	501334
J731943	501333
J731944	501332
J731945	501329

B. Six (6) 230 kV Oil Circuit Breakers

Manufacturer - McGraw-Edison Co.
Type - RHE-84, 230 kV; 15,000 MVA; 1600 amp

<u>Breaker</u>	<u>Serial No.</u>	<u>Asset Tag No.</u>
(3H)A-1438	19284	500314
(4H)A-1440	19281	500313
(5H)A-1442	19285	500312
(6H)A-1444	19282	500311
(7H)A-1446	19286	500310
(8H)A-1448	19283	500309

C. Trust Agreement Items (Contract No. 14-03-79309) - Engineering analysis and design of facilities Martin Marietta Aluminum installed to receive at-site power.

D. Electric Lines - Transmission line facilities to loop McNary-Big Eddy 230 kV line in and out of Harvalum Substation. Includes survey, design, material, and construction.

	<u>Asset Tag No.</u>
Towers Electric	501282
Line Electric	501322

E. BPA Switch Gear Control Building

One concrete block building 26' x 40' on slab. Including control panels.

	<u>Asset Tag No.</u>
Building	500315
Control House Panels	514002

F. Three (3) 230 kV Transformers

Manufacturer - General Electric Co.
POW-T-60-140000 (55C)/156800(65C)kVA - 230000 GrY/13800 Delta
Tert./23800GrY kV: including metering current transformers (3) and lightning arresters (3) model 9L11L-8A192.

<u>Transformer</u>	<u>Serial No.</u>	<u>Asset Tag No.</u>
A	H-409364	500149
B	H-409366	500143
C	H-409365	500148

G. BPA Yard Steel Work

Structures for terminating the 2-230 kV incoming lines, supporting structures, bus circuit breakers, metering and relaying equipment,

and all other accessories for the 230 kV substation. Also including 15-230 kV disconnect switches, ground mat and underground oil piping. All of the above is located in Harvalum Substation.

H. Spares at Goldendale as enumerated in III below.

III. Spares

A. The Dalles

<u>ITEM</u>	<u>QUANTITY</u>	<u>DESCRIPTION</u>
1	1	Westinghouse - 115 kV main transformer bushing, style 10R 2041 Type 0 Serial # 6
2	3	Westinghouse - 115 kV - 600 Amp Type V Disconnect Switch. Style No. 43-Y-1958.
3	1	Westinghouse - 15 kV Secondary XFMR Bushing - Dwg. Ref. 24B2195.
4	3	Westinghouse - Lightning Arrester - 115 kV - Style No. 1594749-G.
5	3	Westinghouse Lightning Arrester - 18 KV - Style No. 1594745.
6	9	Westinghouse - Stand-off Insulators - 115 kV
7	1	Westinghouse - 115 kV Corona Ring.
8	1	Unifm - Oil Immersion Pump Type 5080H - Serial # 1266/U.
9	1 Lot	Misc. Hardware for Disconnect Switch Operators.

B. Goldendale

1	3	Potential Transformer Fuses, Powerdyne HVEL-2, 10-230, 5 Ampere.
2	2	Oil Circuit Breakers - Expulsion Tube Assembly Type "O" upper.
3	2	Expulsion Tube Assembly - Type "Bt" Center.
4	36	Main Stationary Contact
5	6	Moving Contact Blades.
6	3	Manhole Baskets.
7	2	Expulsion Tube Ass'y - Type "Bt" Lower.

<u>ITEM</u>	<u>QUANTITY</u>	<u>DESCRIPTION</u>
8	1	Transformer - Lightning Arrester - 230 kV Cat. No. 9L11LAJ01B.
9	3	Lightning Arrester - 23 kV Cat. No. 9L11LAJ01B.
10	1	Lightning Arrester - 13.8 kV Cat. No. 9L11LAJ015.
11	1	Oil Pump - 3966X855G2.

(MP-PCJ-0044d)

8/27

PAULA -

THIS AGMT IS NOT IN
CCIS AND PROBABLY SHOULD
BE. IT RELATES TO BOTH
GOLDENDALE ALUMINUM
AND NORTHWEST ALUMINUM
SO SHOULD GO IN EACH'S
"FILES" SHOULD ALSO
BE FILED IN BOTH
COMPANY'S NOTEBOOKS -

THANKS -
SALLY
X8285